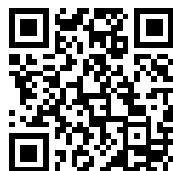

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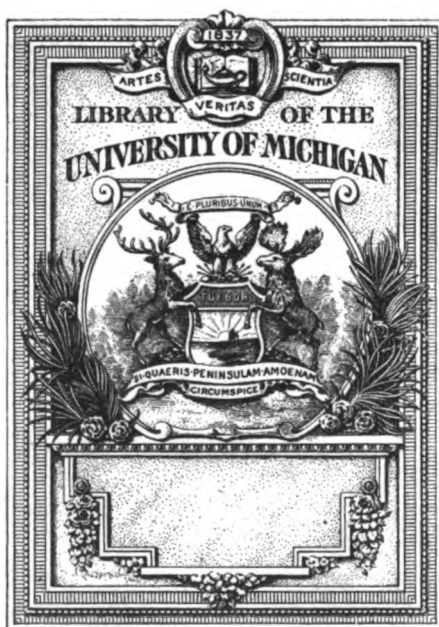




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THE

MERCHANTS' MAGAZINE

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AND

COMMERCIAL REVIEW.

EDITED BY

WILLIAM B. DANA.

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FROM JULY TO DECEMBER, INCLUSIVE, 1863.

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VOLUME XLIX.

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THE MERCHANTS' MAGAZINE

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COMMERCIAL REVIEW.

JULY, 1868.

SHIP CANALS AND RAILROADS.

CHICAGO CONVENTION.

THE question of transportation is one of the most important that can engage the attention of the American public, since it is that upon which, more than upon anything else, the development of our national wealth depends. The great basis of this wealth is the vast expanse of fertile land which has during the last century laid open to the use of the settler free of cost, attracting the labor of all nations, and being aided by the active population of the Atlantic States and numberless machines which have given great effect to labor. This labor and land being thus brought together, the remaining requisite to make available the grand result, was the means of transportation at little cost of time and money. Naturally the country is well supplied with streams following the different water-sheds, but, nevertheless, great sections remained isolated. The Alleghany Mountains form a western wall to the Atlantic slope, down which flows many great streams to the ocean. West of these mountains is the great basin of the Ohio, with the lakes on the north, stretching 1,500 miles and having an area of 90,000 square miles and a coast line of 3,000 miles, draining a country 537,000 square miles in extent and capable of maintaining 22,000,000 of human beings. The land west of this region, almost limitless in size and capacity of cultivation, has an outlet into the great valley of the Mississippi. Thus the Mississippi, with its tributaries, drains the vast Western valley, and the Hudson, the Delaware, and the Susquehanna, with their tributaries, drain the Eastern slope. Between these the great and fertile lake region had no natural outlet. The necessity of one early impressed the minds of statesmen. In 1810, a canal at the West, to connect Lake Michigan with the Illinois River, was projected, and also one on the East, to connect Lake Erie with the Hudson River. Both these plans were ultimately realized. During the time in which those projects were maturing the greatest changes were made in the means of transportation. Steam, as a motor, was even then recognized, but had

not yet put forth its gigantic powers, bringing the most distant cultivated regions within reach of the consumer. The capacity of labor to create wealth from fertile land has hardly any limit if it is within range of markets. Farmers must produce within such limits as will bear the cost of transportation to market, or their labor is of no avail. Happily, during the last forty years, as the population of the United States has increased and spread over fertile lands of great extent, successive improvements in transportation have continually lowered the cost of it, so that the product of lands a thousand miles away can now be brought to our Eastern markets, and yet undersell the products of the Atlantic States. In the early part of the present century the New England States, the valleys of the Hudson, the Delaware, and the Susquehanna not only fed the population, but furnished food for export in such abundance as to enrich the shipping owners and build up a great commercial interest. The transportation down rivers and along the coast was then wholly in sailing vessels, which were, however, of improved construction, as well for burden as for speed, and the cost of freight in them was greatly diminished, thereby causing larger quantities of food to accumulate in the cities at cheaper rates for shipping. Europe being then at war and harvests bad, the prices paid were such that the lands of the Atlantic States produced to advantage, although they were not of the highest fertility. The steamboat was then introduced, but did not for some years affect greatly the cost of transportation. In 1817 the Erie Canal was begun, and was completed in 1825. By its operation the whole region bordering the great lakes was brought into competition with the lands of the Atlantic States. The change was marvelous. The natural vigor of that Western region was such that the same labor bestowed upon it yielded many fold more than if bestowed upon the Eastern lands. Agriculture then migrated West, being able to bear the transportation over lake and through canal and still give the commercial and manufacturing interests more food for the same wares. The great West rapidly prospered. The settlers lined the shores and streams, and their industry sent forth annually larger quantities of produce, aided by increasing steam appliances to shorten distances and reduce cost. It is remarkable that while the increased fertility of new lands swelled the volume of food that might be produced for a given amount of manual labor, steam and newly-invented machines swelled the quantity of manufactures that a certain amount of labor could give in exchange. Thus the same number of food buyers and goods buyers mutually multiplied their productions, until it became apparent that the Erie Canal was becoming too limited in capacity for the ever-swelling volume of trade. Its enlargement was then discussed and its necessity universally admitted. Unfortunately it took a political turn, and while one party insisted that it should enlarge itself, the other party insisted that it should be made the basis of a great debt, the interest of which should be paid by the earnings. The latter policy prevailed, and the canal became a political machine as well as a useful highway. But in addition to what was then done in New York State, the whole Western country became traversed by canals, which communicated with the lakes. Ohio constructed two to drain her interior lands; Indiana made one to traverse her State and open her rich lands to market; the Illinois canal, projected as a ship-canal, was to join Lake Michigan with the Illinois River and the Mississippi, and allow of ships passing from the great lakes down to the ocean, via New Orleans,

and thus cheapen transportation. The financial revulsion of 1837 changed the plan and reduced it ultimately to a shallow cut, which, however, permits the produce of Western Illinois to reach Chicago at a cheap rate. Thus Illinois, Indiana, and Ohio furnished canals which delivered the produce of those States upon the great lakes, to find its way to market through the Erie, the enlargement of which was checked by political intrigues. The great canal system may be summed up as follows :

	Miles.	Cost.	Width, feet.	No. of locks.	Opened.
Erie Canal, Hudson River to lakes....	363	\$7,143,769	40	84	1825
Pennsylvania Canal, Delaware and Ohio	395	12,381,822	40	200	....
Ohio Canal, Ohio River and lakes.....	307	4,695,824	40	152	1833
Miami Canal, " "	178	3,750,000	40	102	1840
Indiana Canal, " "	379	7,101,000	60	192	1851
Illinois Canal, Illinois River and lakes.	102	8,654,387	60	2	1848
Total.....	1,724	\$43,726,772			

These are the great main canal avenues, the four last of which drain large States into the lakes. But there are many other lateral canals which feed the main trunks. Thus the Ohio system is 317 miles, and cost \$15,007,347. There have also been built nine large canals, of an aggregate length of 693 miles, at a cost of \$31,654,834, entirely for the transportation of coal.

The Pennsylvania Canal route was intended as a rival to the Erie, but, from the nature of the country through which it ran, could not be made to compete with it. The construction of the Welland Canal of Canada, it was supposed, would draw off business unless the cost of transportation on the Erie could be reduced by enlarging the boats. The old boats were seventy tons burthen, and it was calculated that 26,000 boats could be locked each way in a season. Hence the utmost capacity of the canal would be 3,640,000 tons. By the enlargement the boats could carry 224 tons, which would give a capacity of 11,648,000 tons for the season. Inasmuch, however, as the down freight is as four to one, the aggregate capacity would be reduced to 7,230,000 tons. Before the Erie was built the cost of transportation from Buffalo to New York was \$100 per ton, and the time twenty days. When the canal was opened the time was reduced to eight days and the freight to \$14. The freight from Buffalo is now \$3 to \$7.

Previous to the opening of the Erie Canal in 1825, the commerce of the lakes was mostly local, since there were no markets East or West. The produce raised in the country bordering on the lakes descended the streams that ran into them, and found interchange at other lake ports. The canal being completed May, 1825, amidst the greatest rejoicing, boats laden with lake produce left Buffalo for Albany, and 837 boats left Albany for Buffalo, carrying 4,122 tons of goods, and paying \$22,000 tolls. The current of produce from the lakes to the East, thus started, went on to accumulate in volume, and is yet on the increase. The magnificent forests of Western New York and the lake shores, that had been valueless, became now a mine of wealth as a supply of lumber to the East. The produce of the fertile land around the lakes poured through the canal in such quantity that the farmers of New England had no alternative but to seek those lands for the prosecution of their industry. Then commenced that migration which, as the census of 1850 showed, resulted in the transfer of 1,428,579 New

Englanders born to Western soil. With the opening of the canal a great change took place in lake tonnage. This change and the subsequent increase will be seen from the following table :

	American tonnage.	Steam tonnage.		American tonnage.	Steam tonnage.
1820.....tons	5,500	....	1860.....tons	316,503	108,243
1830.....	20,000	6,000	1861.....	323,958	101,856
1840.....	75,000	14,381	1862.....	361,997	113,895
1850.....	215,787	58,711			

It is to be borne in mind that constant improvements were going on in the construction, size, speed, and power of the vessels employed on the lakes, and thus sailing vessels became gradually better adapted to the necessities of trade. In 1822 the steamer *Superior* was launched, and in 1824 another steamer was launched, and in 1825 two more, and 1826 three, one of which made the first voyage upon Lake Michigan on a pleasure excursion. The first business steamer carried troops to Chicago in 1832, for the government in the Black Hawk war. In 1833 there were 11 boats running to Buffalo. In 1840, as will be seen by above table, the steam tonnage of the lakes was 14,381, and has ever since continued to increase. During all this time the size and speed of the vessels increased, and the greatest improvements in loading and unloading by aid of steam were effected. These circumstances enabled a given tonnage to do ten times its former work. Further improvements continued, and in 1843 the Ericsson screw was introduced on the *Hercules*—275 tons—the first lake propeller. The screws used for giving motion have since undergone great improvements in shape and adaptation to the work, and the propellers appear now to be generally used. In 1851 there were 52, tonnage 15,729, average 300 tons ; in 1860 there were 190, tonnage 57,210, average 300 tons. In the last two years the number of tugs has greatly increased.

Thus we see the effect of the canals in developing the wealth of the West. They have done a good work and a great work. But their day of greatest usefulness has passed. Before this system of canals was fairly in operation a new agent of transportation had arisen destined to have immense influence. The rejoicing for the completion of the Erie had hardly died away, when the whistle of the locomotive was first heard among us, and a network of rails commenced to spread over the country. About the year 1853 these railroads began to interfere with the traffic of the canals. In the East four great works were constructed. The cost of these roads was as follows :

	Miles.	Capital.	Debt.	Total.
New York Central.....	297	\$24,153,000	\$14,333,771	\$38,486,771
New York and Erie.....	446	11,000,000	25,328,505	36,328,505
Pennsylvania	386	13,249,125	16,932,517	30,181,642
Baltimore and Ohio....	379	10,011,800	13,881,833	26,893,633
Total.....	1,508	\$58,413,925	\$70,434,626	\$131,892,551

These four routes cost nearly \$132,000,000 of private capital, and it being no longer possible for the New York Legislature to impose toll on the roads to prohibit them from carrying freight, the traffic was made free in 1852. Since then the tonnage carried by the canals and the two lines of railroads has been as follows :

TONNAGE CARRIED ON THE NEW YORK RAILROADS AND ERIE CANAL.

	Canal.	New York Central.	New York & Erie.	Total E. R.
1853.....tons	4,247,853	360,000	631,039	991,039
1854.....	4,165,862	549,805	743,250	1,293,055
1855.....	4,022,617	670,073	842,048	1,512,121
1856.....	4,116,082	776,112	943,215	1,719,327
1857.....	3,334,061	838,791	978,066	1,816,857
1858.....	3,665,192	765,407	816,954	1,582,361
1859.....	3,781,684	834,319	869,072	1,703,391
1861.....	4,507,635	1,253,418	1,338,374	2,591,792
1862.....	5,598,785	1,650,000	1,675,234	3,200,000

The railroad tonnage doubled up to the closing of the Southern rivers, while that of the canal declined. In the last two years of war and of interruption to the Baltimore and Ohio traffic, both canals and railroads have undergone a great increase of business. Thus in the two years before the war, and the two last years, the tonnage on the canals and the two railroads has been as follows :

	Canal.	Railroads.
1858-59.....tons	7,447,896	3,285,752
1861-62.....	10,106,420	5,791,792
Increase.....	2,658,534	2,506,040

The amount of tonnage carried on all four routes in 1859 was as follows :

	Through tonnage. East.	West.	Total tonnage.	Freights.
New York Central Railroad.	234,241	113,833	834,879	\$3,337,148
New York and Erie Railroad	200,000	.....	869,072	3,108,248
Pennsylvania Railroad.....	129,767	103,889	1,170,240	3,419,494
Baltimore & Ohio Railroad.	135,127	66,470	897,486	2,924,411
	1,699,135	.....	3,771,187	12,793,301
Erie Canal	2,121,672	317,459	3,781,684	1,723,945

All the roads carried as much as the canals. Of the canals constructed for the transportation of produce, the Erie is the only one which has succeeded. They were all constructed by State governments, at a time when there was not sufficient capital in the country to enable individuals to undertake them. The Pennsylvania Canal was a bill of expense, and was sold out by the State to a railroad company. The State of Ohio has met the same difficulty, and has offered to sell her works. The Indiana Canal is by no means a success, and the Illinois Canal, although almost a dead level, having but two locks, cannot compete with railroads. The following table shows the receipts of certain articles in Chicago for the past year of great business, distinguishing those by canal and those by roads :

RECEIPTS AT CHICAGO IN 1862.

	Canal.	Railroads.	Total.
Flour.....bbls.	241,988	1,424,403	1,666,391
Wheat.....bushels	482,062	13,246,054	13,728,116
Corn.....	11,585,749	17,863,579	29,449,328
Oats.....	424,653	3,714,069	4,138,722

	Canal.	Railroads.	Total.
Rye	92,844	945,981	1,038,825
Barley	26,557	845,496	872,053
Hides.....lbs.	86,441	12,660,682	12,747,123
Wool	19,310	1,504,261	1,523,571

It is thus very apparent that this canal had little agency in the development of that vast business which flowed into Chicago under the influence of railroads. The Erie Canal has had its tolls and freight charges constantly reduced in the last thirty years, and without any effect in retaining the traffic. The following, from the report of the canal department, shows the decrease in the cost of transportation :

	Up freight per ton from Albany to Buffalo.			Down freight per ton from Buffalo to Albany.		
	Average per year.	Tolls deducted.	Leaving freight.	Average per year.	Tolls deducted.	Leaving freight.
1830 to 1834..	\$18 20	\$9 20	\$9 00	\$8 61	\$4 45	\$4 16
1835 to 1839..	18 24	6 57	11 67	6 92	3 28	3 64
1840 to 1844..	13 24	6 57	6 67	6 24	3 28	2 96
1845 to 1849..	8 20	5 15	3 05	6 03	2 99	3 04
1850 to 1854..	5 84	3 59	2 25	5 02	2 24	2 68
1855 to 1858..	4 50	2 55	1 94	4 44	2 01	2 44

The rates in the year 1830 as compared with 1858, were as follows :

	Up		Total.	Down		Total.
	Tolls.	Freight.		Tolls.	Freight.	
1830	\$10.22	\$9.78	\$20.000	\$5.11	\$3.96	\$9.07
1858	1.46	1.34	2.800	1.46	1.68	3.14
Decrease .	8.76	8.44	17.200	3.65	2.28	5.93

Notwithstanding this immense reduction the traffic has sought the railroads.

It is now proposed by the Convention at Chicago to increase the capacities of the Illinois Canal, and of the Erie Canal, to admit of the passage of ships to the ocean. The cost of the first is \$13,500,000, and of the last \$3,500,000, which it is proposed to ask Congress to pay, although the Illinois Canal was in fact built by Congress, since the lands donated in aid furnished the means for its construction. If Congress should now furnish the \$13,000,000 or \$14,000,000, which it is estimated would complete the Illinois improvement, one of two things would happen : either the railroads which now do the business, and which have cost individuals \$150,000,000, would be greatly injured, or the money would be lost. If the actual wants of business require the enlargement of that canal, the sum wanted is a mere nothing for a company to raise and reap the profits of it. If it is not required by the wants of business, there is no reason why the government should meddle with the matter. The expenditure of \$14,000,000 in Illinois, and \$4,000,000 in New York by the government, would involve the expenditure of equal sums in other States for improvements. The argument that it is necessary for the government to have the means of sending iron-clad vessels through at short notice, as a means of military defense, has no force. The question is a purely commercial one. The treaties with England indeed exclude the presence of armed vessels of either power upon the lakes, but the ability to send iron-clads through in canal boats, to be put together there in a comparatively few hours, is too well appreciated to admit of the expending of \$20,000,000 to make a passage for them. The

government has sent iron-clads in sailing vessels to San Francisco with great success, and there will never be any difficulty of that kind that may not be promptly overcome in a similar manner. The above table of transportation during the last ten years shows how much of the large business of the last two years has been due to the closing of the Southern rivers, and what effect the return of peace will have upon the future railroad and canal trade. If, however, the mercantile sagacity of New York sees the want of an enlarged Erie Canal, the merchants who have spent \$400,000,000 upon railroads, will not grudge \$4,000,000 for that object. How a ship outlet down the Mississippi may improve New York business may be more doubtful.

TRADE OF MAURITIUS.

The Mauritius and its dependencies are extremely thriving. Originally a French dependency, the Mauritius was taken possession of by our forces in 1810, and was only definitively ceded to Great Britain in 1814. Up to 1825, the island was treated commercially almost in the same way as a foreign country; but in that year sugar and other articles imported from the Mauritius were put upon the same footing as the like goods imported from the British West Indies. This measure proved to be a great boon to the Mauritius, inasmuch as only eight years after, in 1833, the island was included in the Slave Emancipation Act, under which the proprietors in the Mauritius obtained upwards of £2,000,000 of the £20,000,000 voted by Parliament as "compensation" for their abandonment of slave labor. This large payment was of the utmost importance to the colony.

Unlike the West Indies, the estates in the Mauritius were not deeply embarrassed by mortgages, and the compensation money was capable of being applied to the improvement of the country. The proprietors, with great judgment, expended a very large proportion of the money they received in fertilizing their land, improving their machinery, and importing labor from the East Indies, Madagascar, and other parts. They thus brought a large and entirely new laboring population into their country, and by good management of them they have rendered the Mauritius one of the most flourishing of the British colonial possessions.

In 1840, the imports of sugar into the United Kingdom from the Mauritius amounted to 516,076 cwt. In 1856, they amounted to 2,372,313 cwt. Besides this, the Mauritius sends a very large quantity of sugar to France, Australia, and the Cape of Good Hope. It has given itself up to sugar cultivation. Since 1854, its other exports, such as coffee, tortoise-shell, etc., have ceased, and the whole island has become a sugar factory—a curious contrast, indeed, with the condition of our West India islands, in many of which proprietors have been abandoning the sugar cultivation in despair, without, it is to be feared, applying themselves to the production of any other articles.

PAPER MONEY—THE LESSONS OF HISTORY.

THE use of currency or money, as it is usually called, seems to have given rise in every age to the most extraordinary exactions, frauds, and disasters, and it is apparently destined to do so as long as society lasts. Yet money is only the medium by which wealth and capital changes hands, though in the popular mind it is almost universally compounded with wealth itself. A moments reflection, however, serves to convince any person that it is not of itself wealth. Suppose some Robinson Crusoe, the sole sovereign and subject of his isolated home, were possessed of any amount of money in any shape, how would his wealth be increased by it? Clearly it is not wealth at all unless it can obtain the products of other people's industry in exchange, and it becomes wealth precisely in proportion to the quantity and variety of those industrial products with which one is surrounded, and which one can obtain in exchange for money. The possessor of wealth must, however, be disposed to take his money in exchange, and hence it must have some value of itself. It must be such a commodity that to them will be an equivalent for that which they give in exchange. It must be readily recognized, and of a generally known value. In the early stages of society, where each man produced something, and all different commodities, a barter trade could and did take place, but still such exchanges were very limited, and necessarily so because it required that every man should be familiar with the value of the thing he wanted, as well as of that he tendered. Hence it soon became necessary to substitute some one article of generally known value, by which all others should be gauged, in order that an idea of value might readily be conveyed to every one. Thus, if we say a hat is worth 100 pounds of sugar, or 10 pounds of spice, or 5 yards of lace, we are not so readily understood as if we say it is worth \$5. For the purpose therefore of facilitating trade, a great variety of articles have in different ages and places been used as this common referee. The Lacedemonians used iron; the early Romans coffee; salt was used in Abyssinia, and leather in Russia down to Peter the Great; while with others, nails, shells, and cocoa have at times been put to the same use. The most advanced nations, however, ultimately adopted gold and silver, because of the very obvious adaptedness of these metals to the purposes of currency. The supply of them was increased as much as could be, but never was much varied. Hence the value became as nearly fixed as possible, and very soon every article of industry and property found its value proportioned to a certain weight of those metals. As intercourse between nations increased, the common knowledge of the use of the precious metals became more extended, and merchants regulated values all over the world by their knowledge of how much gold would purchase any given article of wealth in any part of the world, and by transporting those articles from places where they could be got for a little gold, to those where they would command a good deal, they not only made fortunes, but equalized values and distributed industrial products, conveying to every clime and country the natural blessings of every other, and diffusing the bounties of nature throughout the habitable globe. This operation was not and is not confined to commodities

more than to gold, which is also distributed over the earth through the influence of commerce. The amount of gold currency that any nation requires is determined by the state of its prosperity. If it has more gold than is required it will be cheap, or other goods will be dear instantly the merchant brings the dear goods and carries away the cheap gold to those places where it is dearer. Thus, the gold of one nation always commands the wealth of another.

It is not surprising that under these circumstances gold became a symbol of wealth. It was the only commodity by which all wealth, local and national, could be gauged, and is the only one which will readily command all others. It has a known and certain value to the people of all countries, and is therefore sometimes called the "representative sign of values." This expression does not, however, appear to be entirely accurate. For instance, if a person barter a bale of wool for a barrel of sugar, which is the representative of value, the sugar or the wool? If he gives an ounce of gold for either of them, why should the gold be the "sign" of the value of the other, any more than the wool or sugar should be the sign of the value of the gold? We think there is no reason for this, and would rather call the gold therefore simply an equivalent.

The first use of gold and silver as money was by weight. But in dealing, although all people know the value of gold, they cannot all weigh it and test its purity at each transaction, any more than each grocer can inspect a barrel of beef or fish or flour at every purchase. All governments have therefore *inspected* the gold, ascertained its fineness, weighed the pieces, and fixed a brand upon each so that all persons may know the weight and fineness at sight, as they do the inspected beef from the brand on the barrel. That operation of the government is called coining. The inspector is the mint. The privilege of making coins or fixing a stamp upon pieces of metal is reserved to governments, in order that the greatest faith may be reposed by all in the correctness of the brand. Every government has made the coined pieces of different weights and values, and usually each has required that those of foreign governments shall not circulate as money, for the reason principally that they are not so well known to the people at large. All the coins of all countries being, however, of the same material they have a certain value, and merchants can freely use them in international trade.

In modern times, commerce having developed itself on a grand scale, it was discovered that the transportation of gold back and forth from one country to another was a matter of great risk and loss of time and labor, and might easily be obviated by means of orders. The Venitian merchant who had sent goods to Lisbon for sale, and wished to purchase goods in Genoa, would be compelled to send his gold from the first to the last place at much risk and expense. He therefore conceives the idea of selling to another merchant who wanted money in Lisbon an order for the gold. This was a bill of exchange; with the money he received for his bill he purchased another on Genoa. His money was thus transferred to the desired spot without cost or risk. In 1140 the great Venitian merchants also established a bank of deposits and discount for the service of the large dealers. The use of bills of exchange based on the credit of the merchant-princes became very general, and gold became more nearly confined in its use to the local currency of each country. Thus, the livre of CHARLEMAGNE was 12 ounces of silver, or 79 francs. This was gradually reduced, until

at the date of the revolution it was worth one franc, except when governments were the creditors, and in that case they increased the weight of the coin.

The power of the government to fix the size, etc., of the coins has frequently led despotic governments to the commission of frauds by recoining the money and putting less gold or silver into each piece, thereby cheating the people in the same way that a flour inspector might be supposed to make 5,000 barrels out of 4,000 by putting less into each barrel. These frauds caused a good deal of confusion in all countries, and to some extent unsettled the value of bills of exchange, as it was difficult to tell in what currency they would be paid. To meet this difficulty, "money of account" was agreed upon, fixing the value in which bills should be paid whatever might be the actual currency. Thus the mark-banco of Hamburg is a fixed silver value in bank, and is transferred on the books of the bank without moving the silver, while the depreciated silver currency varies in agio from day to day.

We thus see how and why bills of exchange were first introduced. In the course of time, when industry became more developed, and security for persons and property greater, it was conceived that paper orders might also to some extent perform for the internal currency what bills of exchange had done for international operations. Banks in Holland and England were then empowered to hold coin in their vaults, and pay out paper notes redeemable on demand in that coin, by which means the transportation of large sums was avoided. The first effect of this use of paper was to promote business transactions, because it increased the currency, and being at all times readily converted into coin, was in all respects as valuable. It was emitted always as the representation of actual values, and therefore was extinguishable by the sale of the commodities represented. The effect of this first issue of paper can be easily traced. As few nations of Europe were producers of gold, it was necessary for those who did not produce it, if they would have a currency, to buy the gold with industrial products, and as the supply of the metals was absolutely restricted, it followed that if several nations were becoming wealthy at the same time, and all demanded a greater supply of gold, that metal would be dear, or, in other words, prices of all goods would fall as their quantities increased. Those nations that under such circumstances used paper money as a substitute supplied the want on easier terms. Their products underwent less depression. It is to be remembered that the amount of currency required is proportioned to the general wealth of the country. The moment that the circulating medium is pushed beyond that point the surplus begins to flow off, whether that excess arrives from greater supply or diminished general wealth, providing that circulation is gold. If it is paper it will have no foreign value, and will not diminish in volume. In case the paper is redeemable in gold the gold will go, leaving the paper. So long, therefore, as gold is the currency, or paper redeemable in gold, any excess in the supply of the circulating medium will cure itself.

In the seventeenth and in the early part of the eighteenth century the wealth of England and Holland had greatly increased, and had been extended by the influx of the industrious men whom the crimes of Louis XIV. had driven with their capitals out of France. During the same period France had been impoverished by war, together with the extravagance and crimes of its government. The Huguenots were the most industrious and

thriving of the French people. The government became subjected to an influence which held that there could be no peace while those persons were permitted to exercise their rights of conscience, and it was determined to subjugate and exterminate them. The edict of Nantes, therefore, drove them out of France. This greatly aided in the impoverishment of the kingdom. The popular distress became daily greater, while the sources of revenue were nearly dried up and the currency was in ruinous disorder. Under the Regent the currency consisted of "state bills," or notes given to represent the debts of the government. There was much specie in circulation, but this was subject to constant changes, since the minister of the crown would debase it at his pleasure. A thousand crowns was supposed to represent a certain weight of silver, but a government order might take ten or twenty per cent from the weight without notice. The utmost confusion and dissatisfaction prevailed on all sides. JOHN LAW, a gambler and banker famous for his mathematical skill and his knowledge of banking, presented two memorials to the Regent, promising the needed reforms. The main plan was to start a bank which should have the management of the revenues and issue notes on landed security, redeemable on demand in specie of the same value as that when the notes were issued. This bank was granted May 5, 1716. The capital was 6,000,000 livres, in shares of 500 livres each, to be issued one-fourth specie and three-fourths "state bills." The success of the bank was great. It restored confidence and steadied the currency, and by so doing caused prodigious development of industry and trade, which caused the taxes to flow in freely and give great credit to LAW's bank, which received daily new privileges, and finally was converted into the Royal Bank of France. Up to that time LOUIS's issues had never exceeded 60,000,000 livres, or \$11,000,000, and had been of great success. The Regent, however, seeing the great success which the restoration of confidence had had upon the national prosperity, supposed the result was due to paper money, and, acting upon the principle that if "a little was good, more is better," against the remonstrances of LAW, ordered the issue of 1,000,000,000 of notes, or \$187,000,000. It was now resolved to get rid of the old "state bills" in circulation. For this purpose the minister depreciated the silver and then ordered that all persons should bring 5,000 livres in bills to the treasury and get 4,000 in coin. This project caused great opposition. The immense flood of new paper, however, gave rise to the most extravagant speculation, and LAW started the Mississippi scheme to take advantage of it. The people became wild with paper gambling. LAW's anti-rooms were filled with the nobility of France, waiting for scrip, while the street was filled with an eager crowd, and so pressed were they for room, it is related, that a "hump-back man became rich by lending his hump as a writing desk to brokers and speculators." The speculations grew and spread until they threatened to consume all the property in France. In 1720, the PRINCE DE CONTI, from revenge, demanded pay in specie for an enormous quantity of notes. The Regent compelled him to restore the cash. The event, however, created an alarm. The most sagacious began to convert notes into specie privately, and coin disappeared. A law was then issued, February, 1720, that persons should not deal in coin, or lend on it, or have it in their possession. Coin above 500 livres was made an *illegal* tender. LAW, from the "spirit of good," had now become the "spirit of evil." Distrust set in, and more paper was made to counteract it. The result was a rise in gold, in spite of all the acts

and tricks of the government, to rates which showed paper to be of no value. The popular anger rose against LAW, who was mobbed and his life threatened amid the greatest public distress. Finally, he was driven forth a beggar from ruined France, which struggled on for sixty years against the accumulating distress caused by the crimes of LOUIS XIV. and the paper money of LAW and the Regent, until in 1789, when the monarchy fell, and sunk in a new flood of paper money.

In this instance we see the whole idea of currency perverted, valueless and irredeemable paper substituted for it, and the natural consequences, in spite of prohibitory laws and restrictive measures of government. The error of Mr. LAW's plan was not in his original bank. He clearly comprehended the laws of finance, and understood that his paper was safe only as long as it was restrained within the actual demands of trade and made always convertible at sight into coin. This convertibility is the only possible test by which the wants of commerce can be ascertained. It is the safety valve which relieves the pressure when it is too great. When that test was withdrawn, and floods of paper money emitted, the catastrophe was only a question of time. The paper money of LAW drove coin out of France into Holland and Great Britain. The country suffered long under continually increasing distresses. The poor were ground under the growing weight of taxes and the galling oppressions of the nobles, until the popular discontent burst forth in revolution. The revolutionary government was as perplexed in its finances as had been the royal government. A revolution made to relieve the disasters of a ruined people could scarcely be sustained by taxing those people anew. Its leaders well understood the dangers of paper money, but they had apparently no choice. In fact, they had then before them not only the experience of LAW's money, but also that of the United States revolution; but they were compelled, ten months after the first resistance to royal authority, to have recourse to paper money. The popular enthusiasm was exerted in favor of the money of the republic, and the extensive confiscated lands and property of the clergy and emigrant nobles were made the basis of the issue. The idea of paper money, or "assignats," was started in 1787, but it was not until March, 1790, that the first emission of 400,000,000 francs was made. That emission was payable on demand, and receivable in payment of the lands of the church and confiscated estates of the nobles, called national domains. They were, however, never redeemed. The lands rose in value as fast as the paper depreciated, and there were few buyers. The words "payable on demand" were omitted from the succeeding emissions without attracting any attention. Between 1790 and January, 1796, a period of six years, 40,000,000,000 francs, or \$7,510,000,000, were emitted in paper, besides the paper money uttered by the insurgents in La Vendee and La Bretagne. The progress of the depreciation was as follows:

	Outstanding.	Or U. S. money.	Discount, p. c.
1790.	1,200,000,000 f.	\$225,000,000	10
1792, August.	2,200,000,000	452,500,000	37
1794, May.	6,000,000,000	1,125,000,000	55
1794, December.	8,000,000,000	1,500,000,000	78
1795, total emission. . .	40,000,000,000	7,500,000,000	99

With the emission of paper began the wildest speculative excitement, reviving the scenes under LAW's bank. The most scandalous speculations

pervaded all ranks of society, and the government of the Directory earned that reputation of "rotten" which will ever distinguish it in history. The government exerted itself to stay the depreciation by enacting laws against dealing in gold, against selling paper for gold, and against raising the prices of commodities. It fixed a law of *maximum* prices for all commodities—re-enacting all the absurdities of the Regency in relation to Law's paper, the effect of which was to stop trade, check the supplies of food in Paris, and finally to stop the production of food as well as other of articles. The capital of a country consists, to a considerable extent, in consumable goods in shops. When paper issues cause prices to rise these goods are turned into paper and consumed without being replenished, ultimately they become scarce, and shopkeepers refuse to take the rapidly falling paper in exchange for them. The currency then becomes valueless. So in France, as long as certain quantities of this capital existed the paper maintained a fair value; but as soon as there was a scarcity of goods and food the paper fell of its own weight. Thus the currency was maintained through several years, until it reached 55 discount. It then suddenly broke down and became valueless—annuitants, public officers, holders of government stocks, and all persons of fixed revenues were plunged in extreme misery. The armies of the Republic, living on enemy's territory, managed to exist, but many *zénitiers* starved to death. In the midst of this terrible distress, the government devised *mandats*. These were notes based on the public lands, redeemable in certain fixed quantities of land, and it was supposed that they would command credit. The law of March, 1796, authorized 2,400,000,000 francs. These had no more credit than assignats, and in July ceased to circulate. They were no longer a legal tender, and \$100 was worth twenty-five cents.

At the moment of the fall of the paper money, BONAPARTE returned to Paris, from the conquest of Italy, with the treaty of Campo Formio in his hand. He had subsisted his army in Italy and had sent large sums of money to the home government and to other armies of France. The Bank of England, it is to be remarked, suspended specie payments, at the same time entering upon a course of paper money of twenty-five years duration. The French nation, in the two experiments of Law and the Revolution, amply illustrated the law of paper money. By the emission of assignats they had driven specie out of France mostly to Great Britain, where it was abundant. The moment the French paper ceased to circulate in 1797, and specie began to flow back to France, the Bank of England could no longer maintain its specie payments, and failed in 1797. The condition of France on the fall of the assignats was terrible in the extreme. It began to recover only when the firm hand of the First Consul was felt at the helm. The popularity of his government was as much due to the eminent administrative ability with which he corrected the monetary disorders as to his military glory. He avoided all debts.

COMMERCIAL LAW. No. 4.

SALES OF PERSONAL PROPERTY.

WHAT CONSTITUTES A SALE.

It is important to distinguish carefully between a sale and an agreement for a future sale. This distinction is sometimes overlooked; and hence the phrase "an executory contract of sale," that is, a contract of sale which is to be executed hereafter, has come into use; but it is not quite accurate to speak of this as if it were a sale. Every actual sale is an executed contract, although payment or delivery may remain to be made. There may be an executory contract *for* sale, or a bargain that a future sale shall be made; but such a bargain is not a present sale; nor does it confer upon either party the rights or the obligations which grow out of the contract of sale.

A sale of goods is the exchange thereof of money. More precisely, it is the transfer of the property in goods from a seller to a buyer, for a price paid, or to be paid, in money. It differs from an exchange in law; for that is the transfer of chattels for other chattels; while a sale is the transfer of chattels for that which is the representative of all value.

Here we must pause to speak of the *legal* meaning of the word "property." It is seldom or never used in the law as it is in common conversation, to mean the things themselves which are bought, or sold, or owned. Because in law it means the *ownership* of the things, and not the things themselves. In conversation one might say a thief had the property of such a person; or that a thief had stolen the property of such a person. But in law this can never be said. For in law the *property* is the *right*, the *ownership*; and that no thief can take from the true owner, though he may take the things themselves. So if one sells a horse to another, to be delivered a month hence, the moment the sale is made the *property* in the horse is said to pass from the seller to the buyer, although the horse himself remains behind. Thus the possession is one thing, the property is another, and the thing itself a third. And they all may be separated. If A sells a horse to B, to be delivered a month hence, and A keeps the horse at livery in a stable, the stable-keeper has the horse in his stable; but he is only the agent of A, and his possession is the possession of A, who is said to have *constructive* possession of the horse; and the buyer alone had the property in the horse as soon as the bargain was made.

This is indeed the very essential test of a sale. If a bargain transfers the property in the thing to another person for a price, it is a sale; and if it does not transfer the property, it is not a sale; and, on the other hand, if it be not a sale, it does not transfer the property. As soon as a thing is *sold*, the buyer *owns* it, wherever it may be. And to constitute a sale at common law, all that is necessary is the agreement of competent parties that the property (or ownership) in the subject-matter shall then pass from the seller to the buyer for a fixed price.

The sale is made when the agreement is made. The completion of the sale does not depend upon the delivery of the goods by the seller, nor upon the payment of the price by the buyer. By the mutual assent of the parties to the terms of the sale, the buyer acquires at once the property and all the rights and liabilities of property; so that, in case of any loss or depreciation of the articles purchased, the buyer will be the sufferer, as he will be the gainer by any increase in their value.

It is, however, as has been said, a presumption of the law, that the sale is to be immediately followed by payment and delivery, unless otherwise agreed upon by the parties. If therefore nothing appears but a proposal and an acceptance, and the vendee departs without paying or tendering the price, the vendor may elect to consider it no sale, and may, therefore, if the buyer comes at a later period and offers the price and demands the goods, refuse to let him have them. But a credit may be agreed on expressly, and the seller will be bound by it; and so he will be if the credit is inferred or implied from usage or from the circumstances of the case. And if there be a delivery and acceptance of the goods, or a receipt by the seller of earnest, or of part payment, the legal inference is that both parties agree to hold themselves mutually bound by the bargain. Then the buyer has either the credit agreed upon, or such credit as from custom or the nature or circumstances of the case is reasonable. But neither delivery, nor earnest, nor part payment, is essential to the completion of a contract of sale. They only prevent the seller from rescinding the contract of sale without the consent of the purchaser. Their effect upon sales under the provisions of the Statute of Frauds will be considered in an article on that subject.

OF THE RIGHTS OF PROPERTY AND OF POSSESSION.

Because this distinction is so absolutely indispensable to any correct understanding of the Law of Sales, and at the same time is one of the nicest and most difficult that is known in the law-merchant, we repeat that the word *property* is used in law in a strict and peculiar sense. It does not mean the thing owned, but the interest in that thing, or the ownership of it; and, as we have said, property, or the right of property, may be, and often is, severed from the right of possession. One instance of this we have already given. So where the owner of a horse lets him out on hire for a week; the ownership or property of the owner is unaffected by this, but the hirer has for that week not only the possession, but the right of possession. When however a sale is completely made, the *property* in the goods passes, as we have seen, from the seller to the buyer; that is, the buyer becomes at once the owner of the goods. But the possession may not pass to the buyer; and the right of possession does not pass to him, until he pays the price, unless it be a sale on credit. If there be no credit, the seller acquires at once a right to the price; the buyer acquires at once the right of property; and he may unite the right of possession to his right of property by paying or offering to pay the price. The seller, on the other hand, if he desires to enforce payment of the price, must deliver or offer to deliver the goods. Thus either party may compel the other to a performance of his part of the agreement by first performing or offering to perform his own.

This right of the seller to retain possession of the property sold until the price is paid is called a lien. This word *lien* was originally a Norman-

French word introduced in England by the Normans, and meant bond, or tie, or connection; it is now of frequent use in the law, and means the right of retaining possession of property until some charge upon it, or some claim on account of it, is satisfied. It rests therefore on possession. Hence the seller (and every other person who has a lien) loses it by voluntarily parting with the possession, or by a delivery of the goods. And it is a delivery for this purpose, if he delivers a part without any purpose of severing that part from the remainder; or if he make a symbolical delivery which vests this right and power of possession in the buyer, as by the delivery of the key of a warehouse in which they are locked up. Whether the delivery of an order on the warehouseman is of itself delivery, before presentation of the order to the warehouseman, is not certain. We think, however, that a presentation of the order is necessary, and that until it is made there is no complete transfer of possession. If the warehouseman consented, and agreed to hold the goods as the buyer's, there would certainly be a change of possession, because the warehouseman would hold them for the buyer, and therefore his possession would be the possession of the buyer. And we think such a presentation makes a delivery, whether the warehouseman gives or withholds his consent, unless he had a right to withhold it, and exercised his right; but some recent cases in England throw a doubt upon this.

If the seller delivers the goods to the buyer, as he thereby loses his lien, he cannot afterwards, by virtue of his lien, retake the goods and hold them. But if the delivery was made with an express agreement that non-payment of the price should re-vest the property in the seller, this agreement may be valid, and the seller can reclaim the goods from the buyer if the price be not paid.

If the buyer neglect or refuse to take the goods and pay the price within a reasonable time, the seller may resell them on notice to the buyer, and look to him for the deficiency by way of damages for the breach of the contract. The seller, in making such resale, acts as agent or trustee for the buyer; and his proceedings will be regulated and governed by the rules usually applicable to persons acting in those capacities; and the principal one of these is, that he will be held to due care and diligence, and to perfect good faith.

Certain consequences flow from the rules and principles already stated, which should be noticed. Thus, if the party to whom the offer of sale is made, accepts the offer, but still refuses or neglects to pay the price, and there are no circumstances indicating a credit, or otherwise justifying the refusal or neglect, the seller may, as we have said, disregard the acceptance of his offer, and consider the contract as never made, or as rescinded. It would, however, be proper and prudent on the part of the seller expressly to demand payment of the price before he treated the sale as null; and a refusal or neglect would then give him at once a right to hold and treat the goods as his own. So, too, if the seller unreasonably neglected or refused to deliver the goods sold, and especially if he refused to deliver them, the buyer thereby acquires the right to consider that no sale was made, or that it has been avoided (or annulled.) But neither party is bound to exercise the right thus acquired by the refusal or neglect of the other, but may consider the sale as complete; and the seller may sue the buyer for non-payment, or the buyer may sue the seller for non-delivery.

As a sale of goods necessarily passes the property in them from the seller to the buyer, only he who has in himself the property in the goods can make a valid sale of them. But a sale may be made by him who has the *property* in the goods, but not the *possession*; especially if they are withheld from him by a wrongdoer. By such sale there passes to the buyer, not a mere right to sue the wrongdoer, but the property in the goods, with whatever rights belong to them.

If the seller has merely the right of possession, as if he hired the goods, or the possession only, as if he stole them, or found them, he cannot sell them and give good title to the buyer against the owner; and the owner may therefore recover them even from an honest purchaser, who was wholly ignorant of the defect in the title of him from whom he bought them. This follows from the rule above stated, that only he who has in himself a right of property can sell a chattel, because the sale must transfer the right of property from the seller to the buyer. In England a sale in a "market overt," passes the property in a stolen chattel to an honest purchaser. ("Overt" is a Norman-French word, and means in English "open;" "market overt" is an "open market," and an "overt act" is an "open act.") In this country we have no "markets overt," established by law, and the only exception to the above rule is where money, or negotiable paper transferable by delivery, (which is considered as money,) is sold or paid away. In either case, he who takes it in good faith, and for value, from a thief or finder, holds it by good title.

The transfer of the right of property in the thing sold is so far a necessary and immediate consequence of a completed sale, and essential thereto, that where it cannot take place, or by agreement does not take place, there is no sale. Therefore, while there may be a delay agreed upon expressly or impliedly, either as to the payment of the money or the delivery of the goods, or both, and yet the sale be complete and valid, still, if when there is such delay anything remains to be done by the seller, to or in relation to the goods sold, for their ascertainment, identification, or completion, the property in the goods does not pass until that thing is done; and there is as yet no completed sale. Therefore, if there be a bargain for the sale of specific goods, but there remains something material which the seller is to do to them, and they are casually burnt or stolen, the loss is the seller's, because the property (or ownership) had not yet passed to the buyer.

So, if the goods are a part of a large quantity, they remain the seller's until selected and separated; and even after that, until recognized and accepted by the buyer, unless it is plain from words or circumstances that the selection and separation by the buyer are intended to be conclusive upon both parties.

If repairing or measuring or counting must be done by the seller, before the goods are fitted for delivery or the price can be determined or their quantity ascertained, they remain, until this be done, the seller's. But if the seller delivers them and the buyer accepts them, and any of these acts remain to be done, these acts will not be considered as belonging to the contract of sale, for that will be regarded as completed, and the property in the goods will have passed to the buyer with the possession; and these acts will be taken only to refer to the adjustment of the final settlement as to the price.

Questions of this kind have given rise to much litigation, and caused

some perplexity. Whatever rule be adopted, it may be sometimes difficult to apply it; but we cannot doubt that the true principle is this. Every sale transfers the property, and that is not a sale which does not transfer the property, in the thing sold; but this property cannot pass, and therefore the thing is not sold, unless, first, it is so far completed and finished as to be in fact and in reality the thing purporting to be sold. And, in the second place, it must be so distinguished and discriminated from all other things, that it is certain, or can be made certain, what is the specific thing, the property in which is changed by the sale. If the transaction is deficient in either of these two points, it is not a sale, although it may be a valid contract for a future sale of certain articles when they shall be completed, or when they shall be separated from others. Thus, a purchaser offers a nurseryman a dollar apiece for two hundred out of a row of two thousand trees, which are all alike, and the offer is accepted. This is no sale, because any two hundred may be delivered, and therefore the property or ownership of any specific two hundred does not pass. But if the purchaser or seller had said, the first two hundred in the row, or the last, or every third tree, or otherwise indicated the specific trees, there would have been a sale, and by the sale those specific trees would have become at once the trees of the buyer. The seller would dig up and deliver them as the buyer's trees, and if they were burned up by accident an hour after the sale, and before digging, the buyer would lose the trees. If not specified, however, even if they were paid for, they remain the property of the nurseryman, because, instead of an actual sale, there is only a bargain that he will select two hundred from the lot, and take up and deliver them. And if they are destroyed before delivery, this is the loss of the nurseryman. Moreover, it is to be noticed that a contract for a future sale, to take place either at a future point of time, or when a certain event happens, does not, when that time arrives, or on the happening of the event, become of itself a sale, transferring the property. The party to whom the sale was to be made does not then acquire the property, and cannot by tendering the price acquire a right to possession; but he may tender the price, or whatever else would be the fulfilment of his obligation, and then sue the owner for his breach of contract, if he will not deliver the goods. But the property in the goods remains in the original owner.

For the same reason that the property in the goods must pass by a sale, there can be no actual sale of any chattel or goods which have no existence at the time. It may, as we have seen, be a good contract for a future sale, but it is not a present sale. Thus, in contracts for the sale of articles yet to be manufactured, the subject of the contract not being in existence when the parties enter into their engagement, no property passes until the chattel is in a finished state and has been specifically appropriated to the person giving the order, and approved and accepted by him.

As there can be no sale unless of a specific thing, so there is no sale but for a price which is certain, or which is capable of being made certain by a distinct reference to a certain standard.

OF DELIVERY AND ITS INCIDENTS.

When a sale is effected, the buyer has an immediate right to the possession of the goods, as soon as he pays or tenders the price; or at

once, without payment, if the sale be on credit. And the seller is bound to deliver the goods.

What is a sufficient delivery is sometimes a question of difficulty. In general, it is sufficient, if the goods are placed in the buyer's hands or his actual possession, or if that is done which is the equivalent of this transfer of possession. Some modes and instances of delivery we have already seen. We add, that if the goods are landed on a wharf alongside of the ship which brings them, with notice to the buyer, or knowledge on his part, this may be a sufficient delivery, if usage, or the obvious nature of the case, make it equivalent to actually giving possession. And usage is of the utmost importance in determining questions of this kind.

In general, the rule may be said to be, that that is a sufficient delivery which puts the goods within the actual reach or power of the buyer, with immediate notice to him, so that there is nothing to prevent him from taking actual possession.

When, from the nature or situation of the goods, an actual delivery is difficult or impossible, as in case of a quantity of timber floating in a boom, slight acts are sufficient to constitute a delivery, if they sufficiently indicate the transfer of possession. So if the property which is the subject of the sale is at sea, the indorsement and delivery of the bill of lading, or other muniment of title, is sufficient to constitute a delivery, and by such indorsement and delivery of the bill of lading the property in the goods immediately vests in the buyer; and he can transfer this to one who buys of him, by his own indorsement and delivery of the bill of lading. Where goods at sea are sold, the seller should send or deliver the bill of lading to the buyer within a reasonable time, that he may have the means of offering the goods in the market. And it has been held that a refusal of the bill of lading authorized the buyer to rescind the sale.

Until delivery, the seller is bound to keep the goods with ordinary care, and is liable for any loss or injury arising from the want of such care or of good faith. But if he exercises ordinary care and diligence in keeping the commodity, he is not liable for any loss or depreciation of it, unless this arises from some defect which he has warranted not to exist. Thus, in a case in New York, A sold to B a certain quantity of beef, B paying the purchase-money in full; and it was agreed between them that the beef should remain in the custody of A until it should be sent to another place. Some time after, B received a part, which proved to be bad, and the whole was found, on inspection, to be unmerchantable. The court held that, as the beef was good at the time of its sale, the vendee (or buyer) must bear the loss of its subsequent deterioration.

If the buyer lives at a distance from the seller, the seller must send the goods in the manner indicated by the buyer. If no directions are given, he must send them in such a way as usage, or in the absence of usage, as reasonable care would require. And generally all customary and proper precautions should be taken to prevent loss or injury in the transit. If these are taken, the goods are sent at the risk of the buyer, and the seller is not responsible for any loss. But he is responsible for any loss or injury happening through the want of such care or precaution. And if he sends them by his own servant, or carries them himself, they are in his custody, and, generally, at his risk, until delivery. But if the buyer distinctly indicates the way or means by which he wishes that the goods should be sent to him, as by such a carrier, or such a line, if the seller

complies with his directions, and exercises ordinary care over the goods until they are delivered to the person or line so pointed out, his responsibility ends with this delivery, in the same manner as it would if he delivered the goods into the hands of the owner.

This question of delivery has a very great importance in another point of view; and that is, as it bears upon the honesty, and therefore the validity, of the transaction. As the owner of goods ought to have them in his possession, and as a transfer of possession usually does, and always should, accompany a sale, the want of this transfer is an indication, more or less strong, that the sale is not a real one, but a mere cover. The law on this subject has fluctuated considerably; and is different in different parts of the country. Generally, and as the prevailing rule, it may be stated thus. Delivery is not essential to a sale at common law; but if there is no delivery, and a third party, without knowledge of the previous sale, purchases the same thing from the seller, he gains an equally valid title with the first buyer; and if he completes this title by acquiring possession of the thing before the other, he can hold it against the other. So, also, unless delivery or possession accompany the transfer of the right of property, the things sold are subject to attachment by the creditors of the seller. And if the sale be completed, and nevertheless no change of possession takes place, and there is no certain and adequate cause or justification of the want or delay of this change of possession, the transaction will be regarded as fraudulent and void in favor of a third party, who, either by purchase or by attachment, acquires the property in good faith, and without a knowledge of the former sale. In this country the rules of law on this point are hardly so strict as in England; and, generally, fraud would not be absolutely inferred from the want of change of possession, although it would be so inferred there. Indeed, in that country it seems to be hardly open to explanation; but here, this circumstance might be explained, and if shown to be perfectly consistent with honesty, and to have occurred for good reasons, and especially if the delay in taking possession was brief, the title of the first buyer would be respected.

If goods are sold in a shop or store, separated, and weighed or numbered if that be necessary, and put into a parcel, or otherwise made ready for delivery to the buyer, in his presence, and he request the seller to keep the goods for a time for him, this is so far a delivery as to vest the property in the goods in the buyer, and the seller becomes the *bailee* of the buyer. And if the goods are lost while thus in the keeping of the seller, without his fault, it is the loss of the buyer. (In law the word *bail* means "to deliver." Thus a "bailor" is one who delivers a thing to another; the "bailee" is the party to whom it is delivered; and "bailment" is the delivery. The "bail" of a party who is arrested, is he or they to whom the arrested person is given up, on their agreement that he shall be forthcoming when required by law.)

In a contract of sale there is sometimes a clause providing that a mistake in description, or a deficiency in quality or quantity, shall not avoid the sale, but only give the buyer a right to deduction or compensation. But if the mistake or defect be great and substantial, and affects materially the availability of the thing for the purpose for which it was bought, the sale is nevertheless void, for the thing sold is not that which was to have been sold.

If the buyer knowingly receives goods so deficient or so different from

what they should have been that he might have refused them, he will be held to have waived the objection, and to be liable for the whole price; unless he can show a good reason for not returning them, as in the case of materials innocently used before discovery of the defects, or the like. Thus, where a man bought a chandelier warranted sufficient to light a certain room, and kept it six months, the court did not permit him to return it and refuse payment, although it was not what it had been warranted to be. Sometimes two or three months, or even less, is held too long a keeping to permit a subsequent return. But though the buyer cannot return the thing, yet, when the price is demanded, he may set off whatever damages he has sustained by the seller's breach of contract, and the seller can recover only the value to the buyer of the goods sold, even if that be nothing. But a long delay or silence may imply a waiver of even this right on the part of the buyer.

One who orders many things at one time, and by one bargain, may, generally, refuse to receive a part without the rest; but if he accepts any part, he severs that part from the rest, and rebuts (or removes) the presumption that it was an entire contract; the buyer will then be held as having given a separate order for each thing, or part, and as therefore bound to receive such other parts as are tendered, unless some distinct reason for refusal attaches to them. If many several things are bought at one auction, but by different bids, and especially if the name of the buyer be marked against each, there is a separate sale to him of each one, and it is independent of the others; so that he must take and pay for any one or more, although the others are not what they should be, or cannot be had. If, however, it could be shown by the nature of the case, or by evidence, that the things were so connected that one was bought entirely for the sake of the other, he would not be obliged to take the one unless he could have the other. This rule applies also when the things sold are lots of land. Indeed, the general rule may be stated thus. The question whether it is one contract, so that the buyer shall not be bound to receive any part unless the whole be tendered to him, will be determined by ascertaining from all the facts whether the parts so belong together that it may reasonably be supposed that none would have been purchased if the whole had not been purchased, or if any part could not have been purchased.

The buyer may have, by the terms of the bargain, the right of redelivery. For sales are sometimes made upon the agreement that the purchaser may return the goods within a fixed, or within a reasonable time. He may have this right without any condition, and then has only to exercise it at his discretion. But he may have the right to return the thing bought, only if it turns out to have, or not to have, certain qualities; or only upon the happening of a certain event. In such case the burden of proof is on him to show that the circumstances exist which are necessary to give him this right. In either case the property vests in the buyer at once, as in ordinary sales; but subject to the right of return given him by the agreement. If he does not exercise his right within the agreed time, or within a reasonable time if none be agreed upon, the right is wholly lost, the sale becomes absolute, and the price of the goods may be recovered in an action for goods sold and delivered.

OF CONTRACTS VOID FOR ILLEGALITY OR FRAUD.

As the law will not compel or require any one to do that which it forbids him to do, no contract can be enforced at law which is tainted with illegality. It may, however, be necessary to consider whether the contract be entire or separable, and whether it is wholly or partially illegal. If the whole consideration, or any part of the consideration, be illegal, the promise founded upon it is void, whether the promise is legal or not. But if the consideration is legal, and the promise is in part legal and in part illegal, it is valid for the legal part and may be enforced for that part. Thus, if a master of a vessel agreed to smuggle goods, and in consideration of his doing so the owner promised to pay him one-fourth of his profits, and also to advance twenty dollars a month to his family during a certain time, the master could enforce no part of this promise, and recover no damages for any breach of it, because the consideration is illegal. But if, for one thousand dollars paid, the receiver agreed to sell and deliver a quantity of merchandise, and also to assist the buyer in some contemplated fraud, he would be bound to sell and deliver the goods, because the consideration was legal, and this part of the promise was legal, but not to assist in the fraud, because this part of the promise is illegal. We mean to say, that if a whole promise, or any part of a promise that cannot be severed into substantial and independent parts, is illegal, the whole promise is void. But if the consideration is legal, and the promise is legal in part and illegal in part, and that part of the promise which is legal can be severed from that part which is illegal, and there be a substantial promise having a value of its own, this legal part can be enforced. For further remarks upon this subject, however, we refer to the previous article on Consideration.

Formerly, an agreement to sell at a future day goods which the promisor had not now, and had not contracted to buy, and had no notice or expectation of receiving by consignment, was considered open to the objection that it was merely a wager, and therefore void. But later cases have admitted it to be a valid contract.

We have already said that fraud vitiates and avoids every contract and every transaction. Hence, a wilfully false representation by which a sale is effected; or a purchase of goods with the design of not paying for them; or hindering others from bidding at auction by wrongful means; or selling at auction, and providing by-bidders who should run the thing up fraudulently; or selling "with all faults," and then purposely concealing and disguising them, as when a man advertised a ship for sale at auction "with all faults," but purposely put her in a situation where an important fault could not be easily detected; or any similar act, will avoid a sale. No title or right passes by such sale to the fraudulent party; but the innocent party, whether buyer or seller, may waive the fraud, and insist that the fraudulent party shall not take advantage of his own fraud to avoid the sale. And by an exception to the general rule that he who has no title can give none, if a fraudulent buyer sells to a third party who is wholly without participation in or knowledge of the fraud, the innocent buyer may acquire a good title.

A buyer who is imposed upon by a fraud, and therefore has a right to annul the sale, must exercise this right as soon as may be after discover-

ing the fraud. He does not lose the right necessarily by every delay, but certainly does by any considerable and unexcused delay.

A seller may rescind and annul a sale if he were induced to make it by fraud. But he may waive the right and sue for the price. If, however, the fraudulent buyer gets the goods on a credit, and the seller sues for the price, this suit is a confirmation of the whole sale, including the credit; or rather it is an entire waiver of his right to annul the sale, and the suit cannot be maintained until the credit has wholly expired.

If a party who has been defrauded by any contract brings an action to enforce it, this is a waiver of his right to rescind, and a confirmation of the contract. Or if, with knowledge of the fraud, he offers to perform the contract on conditions which he had no right to exact, this has been held so effectual a waiver of the fraud that he cannot set it up in defence, if sued on the contract.

NEW BANK LAW OF MASSACHUSETTS, 1863.

Chapter 102 of the laws of 1863, approved March 18th, provides as follows:

SECTION 1. No bank shall hereafter procure any bills to be printed except in pursuance of a vote of the directors, passed at a regular meeting of the board, and a copy of such vote, duly certified by the cashier or clerk of the board, shall be forthwith transmitted to the office of the bank commissioners. Whenever any bills, so ordered, shall have been printed, and shall be delivered to said bank, they shall be accompanied by duplicate certificate, signed by the printer or other proper officer on his behalf, stating the number and denominations of the bills so delivered, one of which certificates shall be retained by the bank, and the other forthwith transmitted to the office of the bank commissioners.

SEC. 2. This act shall not apply to banks organized under the general laws.

THE ACT OF NEW YORK TAXING MONEYED CORPORATIONS.

AN ACT IN RELATION TO THE TAXATION OF MONEYED CORPORATIONS AND ASSOCIATIONS, PASSED APRIL 29, 1863, THREE-FIFTHS BEING PRESENT.

The people of the State of New York, represented in Senate and Assembly, do enact as follows:

SECTION 1. All banks, banking associations, and other moneyed corporations and associations, shall be liable to taxation on a valuation equal to the amount of their capital stock paid in or secured to be paid in, and their surplus earnings (less ten per cent of such surplus) in the manner now provided by law, deducting the value of the real estate held by such corporations or association, and taxable as real estate.

SEC. 2. This act shall take effect immediately.

LEGAL TENDER UNITED STATES NOTES.**DECISIONS OF THE FIRST AND SEVENTH DISTRICTS OF THE SUPREME COURT
OF THE STATE OF NEW YORK.**

WE give below the opinions of the court in two districts of the Supreme Court of New York State, upon the question whether Congress has the power to declare Treasury notes lawful money, and make them a legal tender. It will be seen that in the First District, (New York city,) the judges at General Term have held that no such power exists, while in the Seventh District at General Term the judges took just the opposite view, and decided that such power does exist, and the notes are legal tender for all debts, etc. It will be remembered that there are eight Supreme Court districts in this State, and only these two have passed upon the question. We shall, however, soon have the opinion of the Court of Appeals. A case involving the points at issue was submitted, we understand, at the last term of the court. Whether this be so or not, there is certainly one if not two to be argued at the present June term, so that by September at farthest we shall know what is the opinion of the court of last resort in this State upon this important question. We give the following opinions without further comments, as it is useless to speculate upon matters which will so soon be settled by our courts:

**OPINION OF THE COURT AT A GENERAL TERM IN THE FIRST JUDICIAL
DISTRICT, HOLDING THAT TREASURY NOTES ARE NOT A LEGAL TENDER.****LOUIS H. MYER vs. JAMES J. ROOSEVELT.***By the Court—INGRAHAM, P. J.*

It is difficult to conceive of a question that can be submitted to the adjudication of the Courts in a matter affecting property, that involves more momentary and important consequences than are connected with the proper decision as to the powers of Congress in making the treasury notes of the government a legal tender.

The interests of the country, and of individuals to an almost unlimited extent, are affected by it, and its importance is not lessened by the consideration that it involves the construction of the powers granted by the Constitution of the United States.

Although this case was fully and ably argued before us by the learned counsel engaged therein, we do not deem it necessary for the disposition thereof to pass upon all of the questions so argued; and, unless absolutely necessary for the decision of the case before us, a particular examination of them at this time will not be required.

At the time when the contract which forms the subject-matter of this action was made, and at the time when it became due, there was no lawful money of the United States except gold or silver coin that could be used as a legal tender, and it cannot be pretended that any other could then be used for that purpose. Under such circumstances the contract had been made, had matured, and the rights of the creditor under it had

become perfect. It was after this that Congress passed the Act of February 25, 1862, by which it was provided that the Treasury notes authorized thereby "shall be lawful money, and a legal tender in payment of all debts public and private within the United States except duties on imports and interest on the public debt."

The principle has been long since settled that in construing the Constitution of the United States, no powers are to be assumed as possessed by the government except those which were granted by the States, and that all other powers are reserved to the States.

These powers are either granted directly in the Constitution or are implied under that clause which authorizes the passage of "all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the government of the United States," etc.

I think it cannot be doubted that this clause does not confer any powers which are not necessary for the carrying into effect the powers expressly conferred by the Constitution. The intent of the clause was not to confer any new powers, but to authorize the passage of laws "which shall be necessary to carry the powers granted thereby into execution."

Congress was authorized by this provision to pass all laws that should be necessary for this purpose, but beyond that authority, it had no force.

These laws, therefore, must be in relation to such powers, and if they are not for the purpose of carrying such powers into execution they are unauthorized. Unless they are necessary and proper for, or conduce to that purpose, they do not come within the limits of that section—unless the laws so passed aid in carrying out some expressly granted power, they cannot be sustained. It was said by Mr. MADISON, in regard to this clause, "that if it had been omitted, the government would have possessed all the particular powers requisite as a means of executing the general powers conferred by unavoidable implication," showing that he understood the clause as conferring no greater powers than the government would have possessed without it, and, therefore, that its operation was to be limited to such laws as were necessary to carry the granted powers into execution.

In *Martin vs. Hunter* (1 Wheat, 304) it was said "that the government of the United States could claim no powers which are not granted by the Constitution, and the powers actually granted must be such as are expressly given, or given by necessary implication." The words are to be taken in their natural and obvious sense, and not in a sense unreasonably restricted or enlarged. And in *McCullough vs. The State of Maryland*, (4 Wheat, 316,) if the end be legitimate and within the scope of the Constitution, all the means which are appropriate and plainly adapted to that end, and not prohibited, may be constitutionally adopted.

The means thus to be used must be such as are connected with, and have a relation to the end to be attained, or, in the language of Chief Justice MARSHALL, "which are in fact conducive to the exercise of a power expressly granted by the Constitution." I shall take it for granted, in the further examination of this case, that Congress has power to issue paper money.

The discussions in the Convention, and the subsequent discussions and

decisions upon the power of Congress to locate a bank seem to concede this power. (See *Craig vs. State of Missouri*, 4 Peters, 410; *Briscoe vs. Bank of Kentucky*, 11 Peters Rep., 257; *Thorndike vs. United States*, 2 Mason, p. 1.)

If Congress has the power to issue such paper as money, it follows that the same would be lawful money of the United States. It is made payable for all debts due to the United States, and by the act it is declared to be lawful money of the United States. The exception as to receiving it for duties may rest on a different basis. The amount of duties to be paid on the importation of goods is not a debt, but is a payment for the privilege of introducing goods into the United States. Congress having the power to fix the amount of duties, has also the right to say in what such duties shall be payable, and the provision that duties shall be paid in gold is not a provision for paying a debt in gold, but one fixing the mode in which duties are to be collected.

The question then arises whether Congress has the power to declare such paper money to be a legal tender.

The tenth section of the first article of the Constitution left to the States the power to regulate the law of tender, subject only to the restriction that they should make such tender to consist only of gold and silver coin.

Under those provisions the State could say what coins should or should not be used for such purpose. The States were bound by the restriction in the Federal Constitution to use gold and silver coin as the medium of payment, and they were to take the coin so used at the value fixed by Congress; but further than that, the Constitution gave to Congress no express power to interfere.

Notwithstanding this, it appears from the acts of Congress, beginning with the Act of 1793, and afterwards on various occasions, that Congress has by statute declared what foreign coins should or should not be used for such a purpose. It is also to be observed that in this State no act has at any time been passed by the Legislature of the State since the adoption of the Constitution of the United States, declaring what should constitute a legal tender.

Still, I suppose the power to legislate on this subject within the restriction in the Constitution of the United States remains with the States. If the Legislature should pass a law on the subject, they have the power to allow other foreign coins than those specially defined by Congress to be used for such a purpose at the value fixed by Congress thereon, but they could not declare these notes of the government of the United States to be a legal tender for debts. Any such provision would be a violation of the constitutional provisions above referred to. It is difficult to adopt the conclusion that the framers of the Constitution intended that Congress should have authority to provide that a tender might be made in any other money than the Constitution of the United States permitted the States to designate by law for that purpose. On the contrary, the presumption from this restriction on the legislation of the States is that it was intended to make coin and nothing else the medium to be used for a legal tender in payment of debts. Any other would lead to the strange anomaly that while the States provide by law that nothing but gold and silver should be a legal tender for debts, Congress could pass a law pro-

viding a substitute for coin, which, if the State directed should be so received, their legislation would be void, as directly violating the Constitution of the United States.

Nor do I see that there is any necessary connection between compelling individuals to receive the notes of the United States in payment of debts due them, with the issue of them by the government for the payment of the debts of the government. Congress has the power to adopt such measures as may be necessary to pay the debts incurred in any manner for the government; but it by no means follows that to give such notes a higher value, they may compel individuals to receive them in exchange for property or debts due them, without their consent.

The same argument would allow Congress to take from the banks or from individuals the coin necessary to pay the interest on the public debt, and to repay therefor the notes issued by the government. It is just as necessary to maintain the credit of the government that the interest should be paid in coin, as it is to give credit to the notes issued by the government by compelling individuals to receive them in payment of debts.

This question seems to have been a subject of discussion in the Convention that formed the Constitution. As originally reported, the clause giving the power to coin money contained the words, "and emit bills on the credit of the United States."

A motion was made to strike out these words, and it was opposed by others, as possibly necessary in some emergencies.

Mr. MADISON suggested that it would be sufficient to prohibit making them a legal tender. The striking out was urged both to prevent their being made a legal tender and to remove the possibility of an issue of paper money by the government.

The words were stricken out by a vote of nine States to two. If the arguments of the members of the Convention were entitled to weight in the decision of this question, it would seem to establish that the intent was not to confer such a power on the government. [MADISON'S PAPERS, 3d vol. p. 1,344.]

This idea was also fully stated by Mr. WEBSTER, when he said: "Most unquestionably there is, and there can be no legal tender in this country under the authority of this government or any other, but gold and silver. This is a constitutional principle, perfectly plain and of the very highest importance. The States are expressly prohibited from making anything but gold and silver a tender in payment of debts, and although no such express prohibition is applied to Congress, yet as Congress has no power granted to it but to coin money and regulate the value of foreign coins, it clearly has no power to substitute paper, or anything else, for coin, as a tender in payment of debts and to discharge contracts." * * *

The constitutional tender is the thing to be preserved, and it ought to be preserved sacredly under all circumstances. (4 vol. WEBSTER'S WORKS, p. 271.) And again he says, I am of the opinion then, that gold and silver, at rates fixed by Congress, constitute the legal standard of value in this country, and that neither Congress nor any State has authority to establish any other standard or to displace this. (4 vol. WEBSTER'S WORKS, p. 280.)

It was argued on the part of the plaintiff that the section which con-

fars authority on the government of the United States to coin money, regulate the value thereof, and of foreign coins, was sufficiently comprehensive to include the power to make paper money a legal tender. I am not able to adopt that conclusion. The coining of money has never been construed as including the issue of a paper currency. Coin and coinage are understood to be the stamping of metals in some way so as to give them currency, but is not applied to any other material, and to regulate its value merely applies to the fixing the value of that which has been so coined, whether it be domestic or foreign coin. I can see no connection between the right and power to coin money and regulate its value, and the power to compel persons to take paper money on the discharge of a contract; and there is no ground upon which the act of Congress can be sustained in connection with this power.

It has been suggested that this power might be exercised under the powers necessary to be resorted to in time of war for the support of the army and navy and the protection of the country against invasion. But there is nothing under this head giving any more authority than for the support of the government under any other department.

If the government in time of war needed individual property and took possession of it by force, the owner would be entitled to full compensation therefor from the government. But for such a purpose the government could no more transfer the property of one man to another for less than its value, than they could do so to provide means for carrying the mails or paying the ordinary expenses of government.

There may be another view, however, of this question which, as applied to contracts made after the passage of the law, might make these bills a proper medium of payment. The act declares them to be lawful money of the United States, and as such they might be used in the payment of debts which were payable in such lawful money, and probably in all debts contracted after the passage of the act in the absence of any statutory provision of the State prescribing what should be a legal tender for debts. I do not deem it necessary, however, to decide upon this question in the present action, as there are other reasons which relieve me from the further examination of this branch of the case.

Conceding that Congress has power to pass a law making paper money a legal tender, is this statute retrospective in its operation?

It is a settled principle in the construction of statutes not to give them such an interpretation as will make them retrospective, unless the act declares that it shall have such an effect, or it is so worded that it can have no meaning unless it is so applied.

The provision of this statute would be satisfied by holding it to be simply prospective in its operation. Upon contracts made after its passage, less injustice would be done by enforcing its provisions. They were known when such contracts were made, and we may conclude that they were made in reference to the statute. But to apply them to contracts made previous to its passage might work gross injustice, and should require in the statute a clear expression of the intent of the Legislature before such a construction is adopted. A reference to the present condition of the currency will show at once such injustice. Contracts which were made when gold and silver were the only legal means of paying debts, would, under application of those provisions, be payable in a currency much less

valuable in the market, and in many instances, especially of contracts made abroad, would result in serious loss, if not ruin.

In this State there have been repeated decisions that acts of a Legislature should be construed as only operating prospectively, unless they clearly show that a contrary interpretation should be given them.

In *Dash vs. Vankleec*, (7 John. Rep., 417, 503,) Ch. J. KENT says: "It is a principle in the English Common Law, as ancient as the law itself, that a statute even of its omnipotent Parliament is not to have a retrospective effect. This was the doctrine as laid down by BRACON and COKE; and in *Gilmore vs. Shutu*, (2 Mod., 310,) it received a solemn recognition in the Court of King's Bench."

Various cases are cited by the Chief Justice in that case, and, among others, the case of *Calder vs. Bull*, (3 Dallas, 386,) in which the Judges of the Supreme Court of the United States speak in strong disapprobation of all laws operating retrospectively, and that of *Ogden vs. Blackledge*, (2 Cranch, 272,) where they considered it plain that a statute could not retrospect so as to take away a vested right.

In *Quackenbush vs. Danks*, (1 Denio, 128, 130,) BRONSON, C. J., says when laws are made to act upon past transactions, they cannot fail to work injustice.

And again, it is a well-established rule that a statute shall not be construed so as to give it a retrospect beyond the time of its commencement, and there are many cases in the books where general words as comprehensive as those under consideration have been restricted in their influence so as not to reach past transactions.

In *Kunfer vs. Kohns*, (5 Hill, 317,) the same rule is recognized as follows: "I admit the value of the rule that general words in a statute which may be satisfied by being allowed to operate on contracts made subsequent to its passage, should, in their application be limited to the latter."

And in a later case, that of *Palmer vs. Cosely*, (4 Denio, 374,) it is said to be a doctrine founded upon general principles of law, that no statute shall be construed to have a retrospective operation without express words to that effect, either by an enumeration of the cases in which the act is to have such retrospective operation, or by words which can have no meaning unless such a construction is adopted. This latter case was affirmed in Court of Appeals. (2 Comst., p. 182.) These cases from our own courts fully establish the position that a statute must not be construed so as to be retrospective in its operation, if it will bear any other interpretation. (See also *Whitman vs. Hangood*, 10 Mass., 437; *Medford vs. Learned*, 16 Mass., 215.)

There is nothing in this act of Congress making it retrospective. The provisions of the law will be fully carried out by confining its operation to contracts made after the passage of the law, if it should be held that such a power is possessed by Congress to make paper money under any circumstances a legal tender for the payment of debts, or if these bills, being made lawful money of the United States, become thereby the medium of payment of indebtedness created after the passage of the statute.

As the contract in this case was made, and the payment under it matured before the passage of the act of February 25, 1862, the same is not affected by the provisions of that statute. The tender, therefore, was not sufficient, and the defendant is entitled to judgment.

OPINION OF THE COURT AT GENERAL TERM IN THE SEVENTH JUDICIAL DISTRICT, HOLDING THAT TREASURY NOTES ARE A LEGAL TENDER, ETC.

PAUL D. HAYNE *vs.* DANIEL W. POWERS.

By the Court—JOHNSON, J.

The tender by the defendant of the legal tender notes, in satisfaction of the plaintiff's demand, was valid, and they should have been received by the latter, unless it shall be found upon examination, that his objection, that the act of Congress under which such notes were issued and declared to be a legal tender is unconstitutional, was tenable.

The act in question, which was approved February 25, 1862, amongst other provisions, declared that these notes, when issued, "shall also be lawful money and a legal tender in payment of all debts, public and private, except duties on imports and interest as aforesaid."

Any law made by the Congress in the United States, in pursuance of the Constitution, and duly approved, is "the supreme law of the land, and the judges of every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding." [Constitution, art. 6.] Unless, therefore, it can be shown that the act of Congress in question is not in pursuance of the Constitution, it is the supreme law of the land, and the tender was valid and must be held to satisfy and discharge the demand created by the deposit.

The General Government possessing all the essential attributes of a national sovereignty, and the Legislature being the branch thereof invested with paramount authority, the presumption is unquestionably in favor of the validity of any and all of its acts, and it lies primarily with the party objecting to show that any particular act is in derogation of the Constitution. This, however, is of little consequence where the standard is a written organic law, which may always be appealed to, and must determine in all cases where the authority to enact is seriously challenged.

In considering the question thus presented, it must be admitted in the outset that the government of the United States is limited in its powers and authority, to the exercise of those conferred by the organic law, in which it has its being, and that all powers not delegated to it by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people thereof.

But it by no means follows from this, that it can take nothing by implication, like a special and inferior tribunal created by statute. It is still a national sovereignty, and within the just scope and measure of the powers with which it has been endowed, is as supreme and potent in its authority as any other human government. And in passing upon the question of the constitutionality of any law of Congress, this important consideration is not to be lost sight of.

The object which the framers of the Constitution and the people who ratified and adopted it as the organic law of this National Government had in view, is clearly and plainly expressed in the preamble. It was amongst other things to "establish justice, insure domestic tranquility, provide for the common defence and general welfare, and to secure the blessings of liberty to ourselves and our posterity."

To secure the attainment of these cardinal ends of all government, the powers deemed necessary or essential thereto were enumerated and conferred under separate and distinct general heads; each of which necessarily com-

prehends and embraces, as it was intended, all the subordinate and auxilliary powers necessary, or incident to the supremacy of such general head of power. And hence, in section eight, after specifying the several powers which Congress shall have, in subdivision seventeen, the power is in express terms given "to make all laws which shall be necessary and proper, for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the government of the United States, or in any department or office thereof." Here is a plain and unambiguous test in the text of the Constitution itself, if the rule prescribed by the statute is not within the plain letter or evident scope of the power enumerated. The question then is whether the law is necessary or proper for carrying into execution all or either of the enumerated and granted powers. If it is either necessary or proper without being absolutely necessary, the statute is valid and becomes the supreme law of the land, binding upon the judges of every State.

But to come more directly to the statute in question: has Congress the power within the letter or evident meaning of either of the enumerated powers conferred, to declare these treasury notes lawful money; and make them a legal tender in payment of all debts, public and private? Among the powers enumerated and expressly conferred, are these: to lay and collect taxes, duties, imposts, and excises; to pay the debts and provide for the common defence and general welfare of the United States; to borrow money on the credit of the United States; to regulate commerce with foreign nations and among the several States, and with the Indian tribes; to coin money and regulate the value thereof and of foreign coin; to provide for the punishment of counterfeiting the securities and current coin of the United States; to declare war; to raise and support armies; to provide and maintain a navy.

Unless the power to declare these notes lawful money is fairly embraced in the terms of the power "to coin money and regulate the value thereof," it must be conceded that it is not within the express letter of any of the powers enumerated.

It is perfectly obvious upon looking into the various provisions of the Constitution that it was the intention to place the entire power of creating money, and determining and regulating its value for the whole country in the General Government; and hence it is forbidden to the several States by section ten to "coin money, emit bills of credit, or make anything but gold and silver coin a tender in payment of debts." Money is the medium of exchange—the standard or representative of all commercial values. It is that which men receive in exchange, and in satisfaction of labor and its various products; and whether it is intrinsically valuable or otherwise, it is the standard of values by which alone they are all measured. In all civilized governments it consists of coin, of gold, silver, and copper, and of bank bills, or bills of credit, issued by the authority of such government.

Gold and silver are not naturally money, any more than any other metal product or fabric. They are made so by law only when manufactured into pieces of coin of prescribed weight and fineness, and stamped with the requisite inscriptions and devices.

These metals are by common consent better adapted for use as money than any other yet discovered, but they become money by the force and operation of law alone.

It is conceded, as I understand the argument, that the power "to coin

money and regulate the value thereof," is a power given to Congress to enact suitable laws on the subject of the current money of the country. But it is insisted that the power is limited to the enactment of laws for the minting or fabrication of gold and silver only into money, and the regulation and the value of money of that description. This might be so if the language employed had been, "to coin gold and silver into money, and regulate the value thereof." But the terms used are "to coin money, and regulate the value thereof." In order, therefore, to place this restriction, it must be made to appear not only that "to coin" signifies shaping and stamping metals exclusively, but also that the term "money" in its ordinary popular signification, at the time the Constitution was framed and adopted, meant gold and silver coin and nothing else.

But neither of these propositions are true. By looking into any dictionary it will be seen that "to coin," means not only to shape and stamp, or mint metals, but to make or fabricate other things as well. And we cannot but know from the history of the times, that at the adoption of the Constitution, neither in this country nor in any other civilized country, did the money in use consist of gold and silver exclusively. It consisted then, as it has ever since, and probably ever will, in gold and silver, and in paper representing gold and silver in the shape of bank bills, or bills of credit.

The power is, in my judgment, most clearly, to make laws, prescribing what the money of the country shall be, and the value of the money thus created by such laws. If it was intended to restrict the exercise of this power to enactments on the subject of gold and silver only, we should naturally expect that some terms would have been chosen clearly expressing such limitations.

The framers of the Constitution certainly must be supposed to have known something of what is termed the evils of paper money, and if it was intended to exclude the creation of that species of money from the power of Congress, nothing is more rational or national than that something of the kind should have been said in clear and explicit terms.

If "to coin" is to be restricted in its definition to work upon metals, it applies to other metals as well as gold and silver, and proves too much for the argument. It is not claimed that it was the design to have any other species of metal created money by law; and as neither gold nor silver is mentioned as substance to be coined, I think it must be held, that the power granted is simply to determine by law what the money of the country shall consist of, and to regulate its standard value.

Considerable stress is laid upon the debates in the Convention in which the Constitution was framed, but I think it far safer to look carefully at the Constitution as it was adopted, and endeavor to construe it according to its evident and natural import. It is by no means certain that these debates may not rather mislead than enlighten the judicial mind.

The framers of the Constitution were but the agents of the people, to prepare it for their acceptance or rejection, and if we could be certain that we had arrived at the exact meaning of these agents, we might still doubt whether the people, when they ratified and accepted it, did not give it a broader and more generous interpretation.

We can only arrive at their intention with any degree of certainty by attending carefully to the ideas expressed. I can have no doubt that should any other metal, or combination of metals, be discovered, which, in the judgment of Congress, was more convenient and suitable for use as money

than gold or silver, it might by law make such metal or combination money, and prohibit the use of gold and silver as money.

And I have as little doubt that Congress has, under this general head of power, to make laws on the subject of the money of the country, ample authority to declare and make by law these promises of the government, money and a legal tender in payment of all debts whatever. This seems to me a fair and reasonable interpretation of the instrument, in view of the subject of the power, the nature and functions of the body upon which it was conferred, and the purposes for which it was thus conferred.

The interpretation contended for in behalf of the plaintiff, so far from being strict and rigid, as is claimed, would, as it seems to me, be exceedingly loose and conjectural in its very narrowness and poverty of apprehension. It is an authority to make a supreme law and not a mere employment to bestow labor upon metals, as it would seem to be regarded.

It must be admitted that no power is in express terms anywhere given in the Constitution to Congress, to make anything a legal tender in payment of debts, public or private. The States are prohibited from making anything but gold and silver such legal tender. But Congress is neither prohibited from making a law upon the subject, nor expressly authorized to enact one. If a direct and explicit authority is needed, it has no power whatever to make gold or silver, even, or bullion, or bank notes, or bills of credit, such legal tender. This power, if it exists in Congress at all, is lodged there as a necessary and proper incident only, to the full and perfect exercise of some power expressly granted in the instrument. And the statute in this regard, must find its warrant and sanction in the fact of its necessity or propriety as an auxiliary to the legitimate exercise of some one or more of the enumerated and granted powers.

But there is, I think, no serious difficulty in respect to the existence of this power in Congress, to provide that a legal tender may be made in payment, and satisfaction of all debts existing within the jurisdiction of the government, whether public or private. The only controversy which can seriously arise, as it seems to me, must be in regard to what shall be made the legal tender. It is a power which Congress has uniformly exercised, and is clearly an incident to the power to regulate commerce. Contracting and paying debts are strictly part and parcel of commerce. And under no civilized government can its commercial business be regulated, without some specific provision of law, in regard to paying, satisfying, and discharging all debts and obligations, not only to the government, but between individuals. The power to regulate commerce includes the power to make laws for everything which belongs to commerce, a material part of which is the contracting and the payment and final discharge of the debts created thereby.

It is claimed, however, in behalf of the plaintiff, that conceding to Congress the power to provide by law for a legal tender, in payment and satisfaction of debts, it is limited in the exercise of such power by the Constitution, to making gold and silver coin only such tender. It is admitted that no such restriction is to be found in the language of the Constitution, but it is claimed to be irresistibly inferable from the provision prohibiting the States from making anything else a legal tender. This proposition is wholly untenable. To say, as matter of judicial construction, that a limitation and restriction upon the power of an inferior, by a superior, implies the same limitation and restriction upon the power of the superior, would be in the last degree unwarrantable, within any known rule of construction. The

mere statement of such a proposition is its sufficient refutation. Another argument is sought to be derived against the existence of the power to make paper of this description a legal tender, from what is claimed to have been the uniform practice of the government, from the beginning to make nothing but gold and silver coin such legal tender.

This, if it had been the uniform practice, would be in no respect conclusive, though it would not be entirely without force as an argument. For it is well understood that the General Government has many powers which it has never called into existence, the occasion for their proper exercise having never as yet arisen.

But the fact is otherwise. The Government has not only issued paper of this description from the beginning, whenever the public exigencies required it, but has generally provided by law that it should be receivable in payment of all public dues. And it was held to be a lawful tender in payment of such dues by Judge STORY in *Thorndike vs. The United States* (2 Mason, 1).

It is said, in answer to this, that the Government may properly make such a regulation in regard to its own debts as it chooses, and that it would not follow that it could make such notes a lawful tender between individuals, if it could in discharge of its own dues.

But this is no answer. The question is not what the Government may do by contract between its agents and other individuals, but what rule it may prescribe as a public and general law.

If Congress has no power to pass a law making them a legal tender, any such law would be void, and they could not be lawfully tendered in satisfaction of a debt, even to the Government. But if Congress has the power to make them a lawful tender in payment of any debt, it may unquestionably make them such in payment of all debts.

The decision, therefore, necessarily affirms the power of Congress to make a valid law authorizing the tender in question.

A debt between individuals is no more sacred or removed from the reach of the power of Government than one from an individual to the Government. The question is, has Congress the power to provide by law that they shall be a legal tender in payment of any debt?

It is thus seen that Congress has, in repeated instances, exercised this very power, not to the same extent or in the same degree, perhaps, but identical in kind, whenever in its judgment the necessities or the inconvenience of the country required it. The power is clearly, in my judgment, one of the attributes of governmental sovereignty, and may be exercised whenever it is deemed necessary or proper by the sovereign authority. And were it even true and made lawful money, I have no doubt they could still be made a legal tender. Congress having the power to provide for a tender, in satisfaction of a debt, has necessarily the right to declare what the tender shall consist of. It is not a question of policy or expediency merely, but of power. Of the expediency and propriety of the measure, Congress is the sole and exclusive judge. If it has the power to make such a law, its judgment as to the necessity or propriety of it at the time, is conclusive. The courts have no right to question it, except to determine the existence of the power.

It is claimed that the act is invalid on the ground that it impairs the obligation of contracts by compelling the creditor to receive something less valuable than gold or silver coin in payment of his lawful demands against his debtors.

It cannot be denied that it does in one sense and to a material extent impair the obligation of contracts in the particular above stated. But it is not invalid for that reason. The power to pass laws to impair the obligations of contracts is prohibited to the States only which can pass no law impairing directly or indirectly the obligations of any contract. There is no such limitation upon the power of Congress. The argument that the one implies the other has already been answered. The same effect may, however, be produced by regulating the value of coin, which it is admitted, may properly be made a legal tender. Instances are not wanting in our Legislature of changing, by law, the existing standard or degree of fineness of our coin, and laws making foreign coin a legal tender have been repealed. Congress has also enacted general bankrupt laws, which, to a still greater degree, affect the obligation of contracts, destroying entirely their obligatory force, without the consent of the creditor. Such acts have been held constitutional by the Supreme Court of the United States and by State Courts. (In the matter of Edward Kleim How. U. S. R., 277; opinion of Mr. Justice CATRON; *McCormick vs. Pickering*, 4 Coms., 276; *Kinzler vs. Kohans*, 5 Hill, 317; *Sacket vs. Andross*, ib. 327.)

I do not, however, rely upon these decisions as controlling in the present case. The power to enact a general bankrupt law, so manifestly includes in it the power to impair the obligations of contracts brought within the operation of the law, that there scarcely seems room for two opinions on the subject.

They are, however, authority, for the proposition, that where the subject of the enactment is clearly within the granted powers, the fact that it incidentally impairs the obligation of contracts furnishes no valid ground of objection that the act is unconstitutional.

The grant of the power to make all laws which shall be necessary or proper for carrying into execution "the foregoing power and all other powers vested by this Constitution in the government of the United States, or in any department or officer thereof," is an express and not an implied grant. It carries with it, and includes in it, all legitimate incidents and consequences of the laws thus made of necessity. It would be a strange and unwarrantable proposition that a law clearly within the letter and spirit of an express power, should be held invalid and unconstitutional, merely because in its operation it affected some particular right or interest injuriously.

But while I am able to find ample authority in the grant of power to regulate commerce, for making the notes in question a legal tender, I do not intend by any means to rest my opinion upon that head of power exclusively. We must of necessity take judicial notice of the alarming and critical condition of the Government and of the country. We cannot, if we would, ignore the fact that armed rebellion, by open and flagrant violence, is seeking the overthrow of the Government, menacing its complete and total destruction. Nor that the Government thus assailed, in order to preserve its existence and restore its rightful authority, is compelled to raise and support powerful armies and supply them with the munitions of war, to provide and maintain a navy of magnitude wholly unprecedented in our history, involving an expenditure probably of millions of dollars daily. To meet this extraordinary demand, the ordinary means of the government, and, indeed, the ordinary currency of the whole country, is entirely inadequate. The Government must, therefore, not only borrow upon its credit, but must create as far as practicable, an additional currency, to meet its urgent and imme-

diate necessities. The right to borrow necessarily includes in it the right to promise to pay. But in order to borrow to advantage, or indeed to borrow at all, its promise must necessarily have credit, and should have the highest credit which the Government is able to confer upon them. If, in the judgment of Congress, it was either necessary or proper, in order to enhance the credit of these Government promises, to make them a legal tender in payment of private as well as public debts, it had, unquestionably, as I think, the right so to do, and even to declare them lawful money. It would be but the making of a law necessary and proper for carrying fairly and reasonably into execution several of the powers expressly granted.

That this was the object and purpose Congress had in view, is evident not only from the debates when the act was under consideration before that body, but also from the application of the Secretary of the Treasury to it to insert such a provision in the act.

Amongst other reasons assigned by that officer to the Congress in favor of this act, he says, "But unfortunately there are some persons and some institutions which refuse to receive and pay them, and whose action tends not merely to the unnecessary depreciation of the notes, but to establish discriminations in business against those who in this matter give a candid support to the Government, and in favor of those who do not." But we can see plainly, aside from this, that it was a means well adapted to the accomplishment of the purpose, and therefore entirely legitimate. And this brings this feature of the law within the express words of the grant of power "to make all laws which shall be necessary or proper for carrying into execution the foregoing power."

I have no hesitation, therefore, in pronouncing this provision of the act in question perfectly in accordance with the plain letter, intent and spirit of the Constitution.

I have come to the conclusion upon what has seemed to my mind the plain and necessary construction of the organic law, as it stands written by its framers, and without calling to aid the consideration of those ultimate and extreme powers which every government, having the right to an existence and a place among the nations of the earth, may of necessity employ as a means of self-preservation when assailed by a public enemy with flagrant violence, and thus involved in actual war. No one doubts, I suppose, that any government thus situated may rightfully, if need be, by any suitable means, call to its aid and service the might of every arm and the use of every dollar of the property of each and every subject or citizen within its jurisdiction. These are, however, considerations which it is wholly unnecessary to press into this case.

The defendant is therefore entitled to judgment upon the facts presented by the case.

COMMERCIAL CHRONICLE AND REVIEW.

REDUCTION OF CAPITAL—INCREASED VALUE OF STOCKS—LARGE INVESTMENTS—CONVERSIONS INTO 5-20'S—COMMISSIONS—ABSORPTION OF CAPITAL—DEARNESS OF INTEREST—SUM OF CONVERSIONS—IMPORT OF STOCKS TO SELL—REACTION—PAYMENT OF FIVE PER CENT DEPOSITS—LIMIT OF GREENBACKS—INTEREST-BEARING LEGAL TENDER—VALIDITY OF LEGAL TENDER—COURT OF NEW YORK—CAPITAL *vs.* MONEY—GOVERNMENT STOCKS—7-30'S NOT PAID IN GOLD—GOLD PAYMENTS—IRREGULARITY—EXPORTS—IMPORTS—DECLINE IN BREADSTUFFS—FALL IN GOODS—LESSENED DEMAND FOR BILLS—SPECIE SHIPMENTS—EXCHANGE RATES—GOLD RECEIPTS—CURRENCY IN CALIFORNIA—GREENBACKS NOT CIRCULATED—REMITTED.

DURING the month a great change has taken place in the aspect of financial affairs, brought about principally by the operations of the Treasury Department. While the process of paying out paper money continued uninterruptedly, the rise in prices of goods caused a conversion of the old stocks of shopkeepers into paper, which paper sought investments in stock securities mostly, causing a very rapid development of speculation, and sending up prices more than 100 per cent of the previous market values in a few months. The value of stocks ordinarily dealt in at the New York Board of Brokers was, in the summer of 1862, \$70,000,000. This value rose to \$170,000,000 in February, 1863. The rise attracted operators, and the paper realized for goods and debts was invested in stocks that had no intrinsic value except the faculty of rapidly appreciating under the influence of paper speculation. The evil result of such an extraordinary rise was naturally anticipated, and induced caution among lenders, while the fact that money was so cheap awakened the hope that the current of investments might be turned to the benefit of the government by directing the movement upon those stocks which the Department desired to sell. An agency system was organized, by which the agents should have three-eighths commission for all the 5-20 stock that might be converted through them. The Department at the same time offered to receive money on deposit at 10 days' call at 5 per cent, the interest payable in paper. The previous rate had been 4 per cent, payable in gold. Money at that time was, as we have estimated, very abundant. The great rise in stocks had not absorbed it, because it had made active at high prices large amounts in the hands of holders, and these circulated the money freely. The rate was 3 @ 5 at "call," and even less on good business paper, which was very scarce, goods not being sold to any considerable extent on credit. Under these circumstances the amount of deposits in the Treasury rose from \$70,000,000 to \$100,000,000, thus taking \$30,000,000 capital out of the market. The conversion of greenbacks into 5-20 stocks then commenced, and continued until some \$100,000,000 were converted. This absorption of capital began to affect the rates for money, which rose to 7 per cent, and more on the general stocks, which had indeed reached such high prices that lenders and brokers became very wary in transactions, refusing time operations, and requiring very large margins to carry stocks. The great rise in stocks also had the effect to draw considerable quantities from abroad to be realized on at the high prices here, and this caused a positive abstraction of capital from the country. Thus, in May, 1862, New York Central was 86, and was paying 7 per cent in gold. Subsequently, paper becoming a legal

tender, the dividends were paid in it, and then the paper depreciated until the foreign holder realized only 5 per cent. At the same time the stock rose to 130, May 18, 1863, when gold was 150, hence the holder could now realize in New York a price equal to 90 in gold.

Capital being thus absorbed in these several ways, a reaction set in in the general stock market, money or capital became dear, stocks fell, and it was found that to continue the conversions into the 5-20's it was necessary to draw the 5 per cent deposits from the Treasury. The operation then became on the part of the government but the substitution of one loan for another, so far as these deposits were drawn out for conversion, viz., to issue 5 20 6 per cent stock payable in gold in place of 5 per cent certificates of deposits payable in paper. The Sub-Treasurer received the certificates, which bore 10 days notice, in pay for the 5-20's. The conversions by the terms of the law cease July 1st, but the same law gives the Secretary the right to sell to the extent of \$500,000,000 the same stocks at any time at any price he pleases, whether at a discount or not. Hence the conversion cannot cease. He has also the right to issue stock payable after 10 and at 40 years. The limit, \$450,000,000, of his right to issue greenbacks will be reached with the emission of the notes reserved to pay deposits, but there remains the right to issue \$400,000,000 of notes as low as \$10 each, bearing interest in paper, and either made legal tender themselves or convertible into legal tender at pleasure, for which \$150,000,000 are authorized.

The question of the validity of the legal tender character of the greenbacks has now assumed an important shape. A decision, which was known to have been long pending in the Supreme Court of New York, and to which we alluded on page 78 of the May number of this magazine, was made public, and will be found in full in this number. It will be observed that the judges were unanimous in relation to the unconstitutionality of the legal tender provision. Two of them were of opinion that the Federal Government could issue no paper to circulate as money at all. One of them assumed that Congress had the right to issue paper, but all agreed that there was no power to make it a legal tender. Steps were immediately taken to bring the matter to the final decision of the Court of Appeals, in order that if the court below should be sustained, the banks would be immediately compelled to pay their notes in specie, according to the State Constitution. The 26th of June was fixed by the Court of Appeals to hear the argument upon the subject. Under these circumstances the bank contraction continued to go on, but the price of money rose more from the absorption of capital, than for want of abundance of paper money. This distinction between capital and paper money is one of the most difficult to impress upon the public mind, yet it is the vital point of the whole government system of finance.

The prices of government stocks varied as follows :

PRICES UNITED STATES PAPER.

	—6's, 1881.—		5's, 1874.	7 3-10, 3 years.	1 year certifi.		Gold.	August demand notes.
	Reg.	Coup.			Old.	New.		
January 3..	96½	98	88½	102½	96½	...	34½ a	34½ 29
" 10..	97½	98	90	103	97	...	37½ a	38 35
" 17..	91½	91½	88½	101	95	...	49 a	46½ 43
" 24..	95	96	90	102	96	...	47 a	48½ 44½
" 31..	92½	94	86	101½	94	...	55 a	60½ 53
February 7..	92	98½	85½	102	94	...	57½ a	57½ 55

		—6's, 1881.—		5's, 1874.	7 3-10, 3 years.	1 year certif.		Gold.	August demand notes.
		Reg.	Coup.			Old.	New.		
Feb.	14...	94	96	87½	102½	96	...	53½ a	53½ 51
"	21...	96½	97½	91½	103½	95	...	53½ a	64 62
"	28...	100½	102½	97	105½	98½	...	71 a	71½ 71
March	7...	92½	100½	94½	105	98½	...	52½ a	53 53
"	14...	104½	104½	98	106½	100	...	54½ a	54½ 53
"	21...	103½	104½	96	107	100	...	54½ a	54½ ..
"	28...	104½	105	96½	106½	100	...	41 a	41½ ..
April	4...	104½	105	97½	104½	99	...	53 a	53½ ..
"	11...	104½	105	97½	105	100½	...	46 a	52½ ..
"	18...	104	105	96	105	101	...	53 a	53½ ..
"	25...	105	105	96	106	102	99½	151½ a	151½ ..
May	2...	105½	106½	97½	106½	102	99½	150 a	150½ ..
"	9...	106	107	97	106	101½	99½	152½ a	152½ ..
"	16...	108	108	97½	107	101½	99½	149 a	149½ ..
"	23...	108½	108½	97½	107½	101½	99½	148½ a	149 ..
"	30...	108	108	97½	107	101½	99½	144½ a	144½ ..
June	6...	104	108½	99	107	101½	97½	146 a	146½ ..
"	13...	104½	108½	99	106	101½	98	148 a	148½ ..

The registered 6's of 1881 were quoted June 6th *ex-dividend*. The coupons fell towards the close of June under the panic caused by the invasion of Pennsylvania, which also sent up gold, and consequently gave more value to the coupons payable in gold. The new one-year certificates have the interest paid in paper, and as they were paid out freely, they came upon the market, falling with the rise in the government rates for interest. As they bear 6 per cent interest, and are payable within the year, the price at which they sell affords a very good index to the value of money. At the rate of June 27th they gave 9 per cent for money. The 7-30 three-year bonds of the government's first issue fall due August 19, 1864. The takers paid gold, dollar for dollar, for the issue, and inasmuch as the Secretary had paid the \$2,800,000 of 6 per cent stock that fell due January 1, 1863, and which was held by certain parties in gold, it became a question how the 7-30, for which he received gold, would be paid. At any rate it was desirable that the *whole public* should know what to expect in order that all holders might act understandingly. With this object in view, the question was addressed to the Department, and replied to as follows:

PAYMENT OF THE FIVE TWENTIES IN GOLD.

TREASURY DEPARTMENT, May 26, 1863.

SIR: I am in receipt of your letter of the 27th ult., relative to the payment of six per cent five-twenty bonds.

The decision of the Secretary relative to the redemption of the obligations of the United States is as follows:

All coupon and registered bonds forming part of the permanent loan of the United States will be redeemed in gold.

All obligations and notes forming part of the temporary loan will be paid in United States notes, unless, before maturity, payment in specie shall have been generally resumed.

The five-twenty sixes being payable twenty years from date, though redeemable after five years, are considered as belonging to the permanent loan, and so are also the twenty years sixes (1881) into which the three-years seven-thirties are convertible. These bonds will therefore be paid in gold.

The three-years seven-thirty bonds, or notes, are regarded as part of the temporary loan, and will be paid in United States notes, unless holders prefer conversion to payments. Very respectfully,

GEO. HARRINGTON, *Assist. Sec. of Treasury.*

S. H. WALLEY, Esq., *President Revere Bank, Boston, Mass.*

The distinction, based upon the time a debt has to run rather than upon the terms in which it was contracted, is a little singular. Thus, a person living in London may buy 5-20's for 69 cents on the dollar, and he will get—supposing the stock is paid in five years—\$130 in gold for \$69 paid in, or 20 per cent per annum. On the other hand, if he had taken the 7-30's, he would have been obliged to give \$100, and, supposing the rate of gold is no higher next year than now, he would receive only \$90, principle and interest. It is not a satisfactory answer to say he can convert them into 20 per cent stock at par; because, if he had his specie back, he could get the 20-year stock at 70 cents on the dollar.

The fall in gold and the multiplied depredations of the enemy on the ocean, causing a rise of insurance in some cases to 10 and even 20 per cent war risk, together with a fall in prices abroad for produce, operated unfavorably upon the export market, and the business for the port was as follows:

EXPORTS, PORT OF NEW YORK.

	Specie.	Foreign.		Domestic.	Total.
		Free.	Dutiable.		
January.....	\$4,624,574	\$73,111	\$668,275	\$14,829,398	\$19,695,851
February.....	3,965,664	43,889	610,009	17,780,586	22,400,148
March.....	6,385,442	213,685	758,266	16,137,689	23,695,082
April.....	1,972,834	74,949	875,224	11,581,933	14,004,940
May.....	2,115,679	101,337	602,254	13,183,510	16,002,780
Total 5 months	\$19,264,198	\$506,971	\$3,014,028	\$78,013,116	\$95,798,308
" 1862....	18,108,737	274,968	2,177,642	48,956,541	69,517,888

These values, being connected by the rates of paper in which they are quoted, will give an amount scarcely as large as last year. On the other hand, the imports have been larger as follows:

IMPORTS, PORT OF NEW YORK.

	Specie.	Free goods.	Entered for—		Total.
			Consumption.	Warehouse.	
January.....	\$101,906	\$2,413,649	\$8,741,227	\$4,492,794	\$15,739,676
February.....	213,971	783,561	7,372,539	3,657,775	12,037,846
March.....	123,616	1,328,806	11,461,572	3,454,530	16,370,524
April.....	107,061	1,328,216	9,493,830	6,456,208	17,385,315
May.....	197,217	710,021	7,980,281	5,437,404	14,324,923
Total 5 months	\$743,771	\$6,564,253	\$45,049,449	\$26,051,082	\$78,408,555
" 1862....	461,532	13,087,935	39,366,567	19,808,195	72,714,288

The decline in the export of produce from the North has been very serious in the last nine months from all the ports, as follows:

EXPORTS OF BREADSTUFFS TO ENGLAND AND EUROPE FOR TWO YEARS, FROM SEPTEMBER 16 TO JUNE 16.

	Flour, barrels.	Wheat, bushels.	Total bush. in wheat.	Corn, bushels.
1862.....	2,505,168	24,686,318	37,212,158	11,793,056
1863.....	1,244,725	19,218,798	25,442,423	8,637,744
Decrease..	1,260,443	5,467,520	11,769,735	3,155,312

This large decrease in the quantity exported has been accompanied by a great decrease in the price, so that the value of the exports realized abroad has been barely one half of what it was at the same period last

year. The crops have been, at the same time, very large, and with lessened demand, the prices have fallen very rapidly, while the growers have been subjected to very high prices for all articles they have purchased. Flour has fallen \$1 50 @ \$2 00 per bbl., while supplies have remained the same. It follows, as a matter of course, that the great purchasing power of the farming interests has diminished in a double ratio and the consumption of goods has been slow, nevertheless it has been faster than production and stocks of goods run very low.

The stagnation of business which followed the excitement of January has gradually diminished the demand for bills for remittance, and the exports of gold have diminished also. The movement has been as follows :

SPECIE AND PRICE OF GOLD.

		1862.		1863.			
		Received.	Exported.	Received.	Exported.	Gold in bank.	Prem. on gold.
January	3.	.....	442,147	.....	681,448	35,954,550	84½ a 34½
"	10.	885,928	1,035,025	1,277,788	726,746	36,770,746	34 a 39
"	17.	.....	547,708	.....	1,380,247	37,581,465	40 a 49
"	24.	627,767	822,918	678,841	780,816	38,549,794	47 a 50½
"	31.	.....	310,484	.....	1,331,027	38,894,840	48½ a 60½
February	7.	854,000	976,235	301,860	1,277,000	38,243,839	57½ a 57½
"	14.	614,146	1,156,154	359,978	1,152,546	38,426,460	53½ a 53½
"	21.	759,247	934,512	.....	520,017	37,981,310	54 a 64
"	28.	741,109	510,774	285,394	1,377,016	39,512,256	71 a 72
March	7.	679,074	585,238	1,243,551	733,643	39,705,089	52½ a 53
"	14.	677,058	477,335	.....	3,640,550	36,110,085	54½ a 54½
"	21.	.....	540,968	249,514	1,201,907	38,955,122	53 n 54½
"	28.	490,368	779,564	159,105	1,050,156	34,317,691	41 a 42
April	4.	581,293	673,926	250,778	473,385	34,257,121	53 a 54
"	11.	.....	1,505,728	250,728	607,059	35,406,145	46 a 52½
"	18.	617,279	693,436	217,602	158,437	36,761,696	52 a 53½
"	25.	635,546	1,151,300	256,604	629,855	37,175,067	47 a 51½
May	2.	410,804	712,275	.....	224,998	36,346,528	48 a 50½
"	9.	484,019	1,574,166	205,057	451,827	38,102,638	58½ a 47
"	16.	604,632	1,093,031	.....	661,996	38,556,552	49 a 49½
"	23.	501,204	938,032	258,570	438,745	38,544,865	48½ a 49
"	30.	224,911	881,452	.....	279,994	37,632,634	44½ a 44½
June	6.	553,035	1,647,299	318,066	411,483	37,241,670	44 a 46½
"	13.	852,391	1,990,327	.....	285,364	37,884,128	48 a 48½
Total....		10,273,856	20,279,906	6,851,774	18,402,807	.....	.....

The rates of bills generally followed the premium on gold; but at times the supply of produce bills somewhat exceeding the demand, the rates of exchange fell below a price equal to \$1 10½ for gold. The steamer prices were as follows :

RATES OF EXCHANGE.

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Jan. 3.	146 a 147½	3.85 a 3.80	56 a 56½	56 a 56½	49½ a 49½	98 a 98½
" 10.	149 a 152	3.72½ a 3.67½	56 a 58	57½ a 58½	50½ a 51½	99 a 100
" 17.	160 a 162	3.52½ a 3.45	60½ a 61½	61 a 62½	54 a 55½	108 a 110
" 24.	162½ a 163	3.50 a 3.45	61 a 61½	61½ a 62	54 a 54½	107 a 108½
" 31.	171 a 177	3.32 a 3.15	65½ a 66½	65 a 67	57 a 58½	114 a 117
Feb. 7.	169 a 173	3.30 a 3.25	65 a 65½	65 a 65½	57 a 57½	114 a 116
" 14.	170 a 171	3.32 a 3.27	65 a 65½	65 a 65½	56½ a 57½	113½ a 114½
" 21.	171 a 179½	2.20 a 3.12	67 a 68½	65 a 68½	59 a 60½	118½ a 119½
" 28.	185 a 188	3.10 a 3.00	67½ a 71	70 a 71	61½ a 62½	123 a 124
Mar. 7.	167 a 169	3.37½ a 3.30	64. a 64	65 a 66	55 a 55½	111 a 113
" 14.	168 a 171	3.35 a 3.30	64 a 64	64½ a 65½	55½ a 56½	112 a 114

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Mar. 21, 189 $\frac{1}{2}$	a 171 $\frac{1}{2}$	3.37 $\frac{1}{2}$ a 3.27 $\frac{1}{2}$	63 $\frac{1}{2}$ a 63 $\frac{1}{2}$	63 $\frac{1}{2}$ a 64 $\frac{1}{2}$	56 a 57	113 a 114
" 28, 187	a 161	3.57 a 3.47	61 a 62	61 a 62	53 a 54	107 a 108
April 4, 168	a 172	3.40 a 3.25	62 $\frac{1}{2}$ a 63 $\frac{1}{2}$	62 $\frac{1}{2}$ a 64	55 $\frac{1}{2}$ a 57	111 a 111
" 11, 158	a 162	3.55 a 3.45	61 a 62	61 a 62	53 $\frac{1}{2}$ a 54 $\frac{1}{2}$	106 a 108
" 18, 165	a 167 $\frac{1}{2}$	3.87 $\frac{1}{2}$ a 3.45	62 $\frac{1}{2}$ a 62 $\frac{1}{2}$	62 $\frac{1}{2}$ a 63	54 $\frac{1}{2}$ a 55 $\frac{1}{2}$	108 a 110
" 25, 163	a 165	3.47 $\frac{1}{2}$ a 3.50	61 a 61 $\frac{1}{2}$	61 $\frac{1}{2}$ a 62	53 $\frac{1}{2}$ a 54 $\frac{1}{2}$	107 a 108
May 2, 163	a 165	3.47 $\frac{1}{2}$ a 3.42	61 $\frac{1}{2}$ a 62 $\frac{1}{2}$	61 $\frac{1}{2}$ a 62 $\frac{1}{2}$	53 $\frac{1}{2}$ a 54 $\frac{1}{2}$	107 a 108
" 9, 168	a 170	3.42 $\frac{1}{2}$ a 3.32	62 $\frac{1}{2}$ a 63	62 $\frac{1}{2}$ a 63 $\frac{1}{2}$	55 $\frac{1}{2}$ a 56 $\frac{1}{2}$	110 a 112
" 16, 162 $\frac{1}{2}$	a 164	3.50 a 3.45	61 $\frac{1}{2}$ a 62	61 $\frac{1}{2}$ a 62 $\frac{1}{2}$	54 a 55	107 a 109
" 23, 161	a 163	3.52 a 3.45	61 a 61 $\frac{1}{2}$	61 $\frac{1}{2}$ a 62	54 a 54 $\frac{1}{2}$	107 a 108
" 30, 156 $\frac{1}{2}$	a 158	3.62 $\frac{1}{2}$ a 3.55	59 $\frac{1}{2}$ a 60 $\frac{1}{2}$	60 a 60 $\frac{1}{2}$	52 $\frac{1}{2}$ a 53	104 $\frac{1}{2}$ a 106
June 6, 158 $\frac{1}{2}$	a 160	3.57 $\frac{1}{2}$ a 3.52 $\frac{1}{2}$	59 $\frac{1}{2}$ a 61 $\frac{1}{2}$	60 a 60 $\frac{1}{2}$	52 $\frac{1}{2}$ a 53 $\frac{1}{2}$	105 a 106
" 13, 156	a 161	3.55 a 3.47 $\frac{1}{2}$	59 $\frac{1}{2}$ a 61	60 a 61 $\frac{1}{2}$	52 $\frac{1}{2}$ a 54	104 a 107

The demand for bills, as the 1st of July approached, was a little improved by the anticipated remittances of interest and dividends, as well as government payments. The amount of interest payable by the Federal government, July 1, was about \$4,300,000 in gold, and \$2,530,000 principal of 2 year Treasury notes in paper. The payments by banks and companies was also large. Probably, altogether, \$10,000,000.

The receipts of specie from California continue to fall off, as compared with last year, which is partly due to the state of affairs that induces direct shipments to England, and the sales of sterling bills in New York. The currency of California continues to be gold, and all goods are paid for in that metal, with the exception of Atlantic freights, insurance, and taxes. The New York insurance companies that have agencies there have taken greenbacks for premiums and have also paid losses in the same currency. The California companies have, however, exacted pay in gold and made losses good in the precious metals—an operation that has compelled some of the Eastern companies to follow in the same direction. This state of affairs has produced a constant current of greenbacks to the Atlantic. The government revenues collected on the Pacific, in gold, amount to about \$3,500,000 per annum, but the government pays out greenbacks only. These are sold at 65 cents on the dollar, more or less, according to the quotation of gold in New York, and are bought for remittance to the East. The cost of remitting being probably 5 per cent less. The greenback currency does not therefore remain on the Pacific, by force of the less cost of sending it to New York. Thus, at the last dates, May 21, greenbacks in San Francisco were 65 cents per dollar, and on the same day in New York they were 67 cents per dollar; on the day the mail arrived in New York the greenbacks were worth 69 $\frac{1}{2}$ cents per dollar. To have remitted \$1,000 in gold would have cost \$1,055, which sum invested in greenbacks and sold in New York would have produced \$1,113 in gold. Instead of losing \$55 there would have been a profit of \$58. The remittance ran the risk of the paper depreciating instead of appreciating during the remittance. If the depreciation is very rapid few will take the risk of the remittance, and will still prefer gold.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

CITY BANK RETURNS THE PAST MONTH.

We give below our usual bank returns for the cities of New York, Boston, and Philadelphia. No important changes during the month are to be noted. The decrease in circulation will be found to have continued in New York and also in Philadelphia. This will go on undoubtedly until the decision in the Court of Appeals is made on the constitutional question whether greenbacks are legal tenders. Two cases have been argued this (June) term, and we shall probably know the opinion of the court at the next term in September.

NEW YORK BANKS.

NEW YORK BANKS. (*Capital, Jan., 1863, \$69,494,577; Jan., 1862, \$69,493,577.*)

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
January 3.....	\$172,810,009	\$85,954,550	\$9,754,355	\$159,168,246	\$186,861,762
" 10.....	175,816,010	36,770,746	9,551,563	162,878,249	249,796,489
" 17.....	176,606,558	37,581,465	9,241,670	164,666,003	314,471,457
" 24.....	179,288,266	38,549,794	9,083,419	168,269,228	298,861,866
February 7.....	179,892,161	38,243,839	8,780,154	166,342,777	302,352,571
" 14.....	173,103,592	38,426,460	8,756,217	167,720,880	265,139,104
" 21.....	178,335,880	37,981,310	8,752,586	170,103,758	291,242,929
" 28.....	179,958,842	39,512,256	8,739,969	173,912,695	340,574,444
March 7.....	181,098,322	39,705,089	8,693,175	174,689,212	344,434,442
" 14.....	177,875,949	38,110,085	8,657,016	172,944,034	307,370,817
" 21.....	173,829,479	33,955,122	8,609,723	167,004,166	277,331,351
" 28.....	172,448,526	34,317,691	8,560,602	163,363,846	281,326,258
April 4.....	173,038,019	34,257,121	8,348,094	160,216,418	287,347,704
" 11.....	170,845,283	35,406,145	8,178,091	159,894,731	264,468,080
" 18.....	169,132,822	36,761,696	8,039,558	164,122,146	259,417,565
" 25.....	171,079,322	37,175,067	7,555,549	167,868,999	258,654,781
May 2.....	177,864,956	36,846,528	7,201,169	167,696,916	355,557,782
" 9.....	180,114,983	33,002,633	7,080,565	168,879,130	367,560,731
" 16.....	180,711,072	33,556,642	6,901,700	168,879,130	353,346,664
" 23.....	181,319,851	33,544,865	6,780,678	167,655,658	380,304,748
" 30.....	181,825,856	37,692,534	6,494,375	166,261,121	307,680,918
June 6.....	182,745,080	37,241,670	6,341,091	102,767,154	289,757,539
" 13.....	180,808,823	37,884,128	6,210,404	159,551,150	302,377,276
" 20.....	177,083,295	38,314,206	6,120,252	157,123,301	259,483,221

BOSTON BANKS.

BOSTON BANKS. (*Capital, Jan., 1863, \$———; Jan., 1862, \$38,231,700.*)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5,...	\$77,339,046	\$7,672,028	\$3,190,496	\$33,372,648	.....	.....
" 12,...	77,427,173	7,751,000	3,373,000	33,063,800	17,006,000	13,520,000
" 19,...	76,624,700	7,710,600	3,199,600	33,382,000	16,547,800	13,727,700
" 26,...	76,354,000	7,710,700	3,008,500	33,847,000	16,811,700	13,958,000
Feb. 2,...	76,496,800	7,685,000	3,365,000	34,076,800	16,889,000	14,490,000
" 9,...	78,421,000	7,707,000	3,074,000	35,178,600	16,982,000	14,188,000

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
" 16...	78,481,000	7,794,000	8,001,000	34,908,000	17,070,700	14,095,500
" 23...	78,782,600	7,824,000	8,002,000	34,965,500	17,331,000	14,588,800
Mar. 2...	79,127,500	7,553,000	8,001,980	35,245,500	17,528,500	15,004,000
" 9...	79,274,700	7,582,000	8,225,000	35,215,000	17,340,400	14,446,500
" 16...	79,636,134	7,609,288	7,780,062	32,955,149	17,280,300	18,434,500
" 30...	77,935,000	7,572,600	7,593,800	31,604,500	17,074,400	11,601,300
April 6...	76,938,600	7,703,800	7,963,500	32,687,000	15,444,000	12,280,600
" 13...	74,551,013	7,812,896	7,762,915	32,494,822	14,557,000	12,947,800
" 20...	78,459,160	7,799,315	7,278,506	33,209,742	14,132,000	12,658,000
" 27...	73,558,000	7,888,800	7,040,000	32,781,500	13,803,000	11,968,700
May 4...	73,218,155	7,854,781	7,433,496	31,949,762	13,237,700	11,622,600
" 11...	73,062,739	7,847,849	7,688,233	31,809,985	13,147,000	11,800,000
" 18...	73,068,598	7,794,046	7,167,327	32,192,770	12,863,500	11,732,000
" 25...	72,874,000	7,777,000	7,011,700	33,000,000	12,787,000	11,748,000
June 1...	73,424,000	7,761,000	6,918,000	32,575,000	12,735,000	10,704,500
" 8...	73,592,000	7,738,557	7,030,288	31,723,235	12,626,700	10,874,700
" 15...	73,237,000	7,730,000	7,109,000	31,477,600	12,235,500	10,541,000
" 22...	73,851,000	7,697,000	7,344,500	31,856,800	12,504,600	10,914,700

PHILADELPHIA BANKS.

PHILADELPHIA BANKS. (Capital, Jan., 1863, \$11,740,080; 1862, \$11,970,180.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5...	\$37,679,675	\$4,510,750	\$4,504,115	\$28,429,189	\$6,948,785	\$1,994,928
" 12...	37,533,757	4,544,786	4,460,676	28,018,792	6,890,968	1,848,982
" 19...	37,416,694	4,549,369	4,382,520	27,877,069	7,050,847	2,275,905
" 26...	37,479,712	4,572,419	4,284,947	28,773,517	6,755,980	2,638,985
Feb. 2...	37,268,894	4,562,580	4,181,503	29,231,753	6,698,210	2,909,857
" 9...	37,338,367	4,319,706	4,039,918	28,062,164	6,953,215	2,518,086
" 16...	37,710,851	4,272,347	3,888,185	28,759,049	7,452,568	2,432,073
" 23...	37,720,460	4,276,761	3,772,781	29,842,596	7,413,249	2,703,196
Mar. 2...	37,901,080	4,267,626	3,696,097	30,178,518	7,185,670	2,758,852
" 9...	38,603,871	4,249,085	3,608,870	30,679,259	7,100,258	2,499,139
" 16...	39,260,028	4,247,817	3,534,880	30,549,587	7,476,603	1,939,449
" 23...	39,458,384	4,247,688	3,295,862	30,108,135	7,418,482	1,935,014
" 30...	38,937,612	4,311,704	3,869,194	29,171,283	6,501,758	2,158,007
Apr. 6...	37,516,520	4,339,252	3,874,417	29,581,559	6,768,558	2,770,129
" 13...	36,250,402	4,343,242	3,296,685	30,117,527	5,953,809	3,014,229
" 20...	36,295,844	4,343,988	3,185,042	31,059,644	5,806,809	3,018,727
" 27...	36,482,058	4,346,377	3,078,921	31,021,799	5,448,124	2,559,868
May 4...	36,587,294	4,355,324	2,989,428	30,859,231	5,328,898	2,891,087
" 11...	36,593,179	4,359,865	2,901,600	30,949,781	4,975,939	2,542,792
" 18...	36,887,301	4,357,119	2,866,121	31,892,303	4,640,623	2,536,279
" 25...	37,116,093	4,357,169	2,808,109	32,455,953	4,623,392	2,480,714
June 1...	37,143,937	4,357,021	2,706,953	31,888,763	4,707,278	2,363,548
" 8...	37,157,769	4,357,076	2,649,293	31,549,339	4,645,712	2,318,744
" 15...	37,228,627	4,357,025	2,621,098	31,648,959	4,914,423	2,892,273
" 22...	37,219,216	4,356,744	2,596,115	31,293,330	4,868,495	2,065,913

BANK OF ENGLAND.

The directors of the Bank of England raised their rate of discount from 3 to 3½ per cent on Saturday the 16th of May, and made a further advance to 4 per cent on Thursday, the 21st of May. The rates in the open market had been for some days above the Bank minimum.

The following comparative table will be found of interest, affording, as it does, a view of the bank returns, the Bank rate of discount, and the price of wheat in London during a period of three years, corresponding with the date of our last returns, June 6:

At corresponding dates with the week ending
June 6, 1863.

	1861.	1862.	1863.
Circulation, including bank post bills...	£20,486,865	£21,515,243	£21,009,392
Public deposits.....	7,219,540	7,518,009	8,779,387
Other deposits.....	10,714,028	13,188,186	13,898,450
Government securities.....	9,916,605	10,335,491	11,151,395
Other securities.....	19,862,603	19,409,873	21,141,649
Reserve of notes and coin.....	6,550,122	9,286,183	8,607,188
Coin and bullion. . .	11,940,817	16,486,723	14,425,553
Bank rate of discount.....	6 per cent.	3 p. cent.	4 per cent.
Average price of wheat... ..	65s. 5d.	55s. 2d.	46s. 5d.

Subjoined is our usual table with the returns brought down to June 3d, 1863:

WEEKLY STATEMENT.

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 17...	£19,932,360	£8,507,144	£14,033,994	£30,539,368	£15,031,658	3 pr. ct.
" 24...	20,150,398	8,654,499	14,306,497	31,846,781	14,870,725	3 "
" 31...	20,516,435	8,838,717	15,469,254	32,488,020	14,956,421	3 "
Jan. 7...	20,927,993	8,782,808	14,393,303	32,620,233	14,685,555	3 "
" 14...	21,018,849	4,280,730	16,772,782	31,165,075	14,102,169	4 "
" 21...	20,893,931	4,965,798	14,993,225	30,227,086	13,855,849	4 "
" 28...	20,771,236	5,416,868	14,414,763	30,288,865	13,611,923	5 "
Feb. 4...	20,709,154	6,351,617	13,862,287	29,997,233	13,692,136	5 "
" 11...	20,444,454	6,952,808	13,596,356	30,288,406	14,070,651	5 "
" 18...	19,916,496	7,413,275	13,769,276	29,890,503	14,589,222	4 "
" 25...	19,716,828	7,901,658	13,867,153	29,709,079	14,614,096	4 "
Mar. 4...	20,322,055	8,036,003	13,868,086	30,880,805	14,504,517	4 "
" 11...	19,801,665	8,673,899	13,282,605	31,096,327	14,328,178	4 "
" 17...	20,012,331	9,843,499	13,003,088	31,482,170	14,547,812	4 "
" 24...	20,136,276	10,364,471	12,742,282	31,896,338	15,025,274	4 "
Apr. 1...	20,965,228	10,107,041	13,172,090	32,775,752	15,141,755	4 "
" 8...	21,279,339	6,714,109	14,829,832	30,946,784	14,963,835	4 "
" 15...	21,326,520	5,769,274	15,013,391	29,974,677	15,229,237	4 "
" 22...	21,413,226	6,816,413	14,739,897	30,182,533	15,337,151	3 "
" 29...	21,452,800	7,178,812	13,606,939	29,994,349	15,348,492	3 1/2 "
May 6...	21,376,999	7,241,739	13,122,087	29,718,602	15,141,760	3 "
" 13...	21,252,916	6,785,137	13,727,556	30,201,120	14,653,141	3 "
" 20...	21,268,315	7,610,278	13,983,654	31,484,815	14,529,451	4 "
" 27...	20,909,819	8,002,346	13,842,718	31,412,190	14,500,019	4 "
June 3...	21,009,392	8,779,387	13,896,450	32,389,044	14,425,553	4 "

FINANCES OF NEW YORK CITY.

CONTROLLER'S ANNUAL REPORT.

The annual report of the Controller in relation to the finances of the Corporation, was submitted by Mr. BRENNAN to the Common Council, at the meeting of the two Boards, June 25, 1863.

OPERATIONS AND CONDITION OF THE TREASURY.

The amount of money in the City Treasury December 31, 1861, as stated in the Controller's annual report, for 1861, page 7, was.....	\$2,798,552 38
The receipts into the treasury from all sources during the year 1862, as stated on page —, amounted to.....	15,762,277 22
Total.....	\$18,560,829 60

The amount of warrants on the Treasury paid by the Chamberlain, and by him returned to the Controller in 1862, as stated on page —, was.....		\$16,827,477 45
Deduct amount refunded on various accounts, as detailed on page —,.....	559 57	
	<hr/>	\$16,826,917 88
Balance remaining in Treasury, December 31, 1862, as stated in the Chamberlain's report, page —,.....		\$1,733,911 72

SUMMARY OF RECEIPTS.

The receipts on City Treasury were:—

General Fund.....	\$1,226,375 98
Taxes.....	5,154,176 35

LOANS.

Revenue Bonds of 1862.....	1,034,800 00
Assessment Fund Bonds 1865.....	100,000 00
Street Improvement Fund Redemption Bonds of 1865..	600,000 00
Union Defense Fund Redemption Bonds of 1864.....	895,570 00
Volunteer Soldiers' Family Aid Fund Bonds, No. 2....	500,000 00
Volunteer Soldiers' Family Aid Fund Bonds, No. 3....	500,000 00
Volunteer Soldiers' Bounty Fund Bonds.....	500,000 00
Volunteer Soldiers' Family Aid Fund Bonds No. 4....	43,100 00
Croton Water Stock of 1883.....	250,000 00
Central Park Improvement Fund Stock of 1876.....	604,600 00

The following were the principal items of receipts on trust and special accounts:

Assessment Fund.....	\$668 217 91
Central Park Fund.....	5,815 12
Central Park Improvement Fund.....	9,990 00
Croton Water Works Extension and New Reservoir....	16,908 43
Interest on Assessment.....	136,912 72
Lands purchased for Taxes and Assessments.....	21,133 30
Street Improvement Fund.....	783,465 31
Volunteer Soldiers' Aid Fund.....	502,302 50
Union Defense Fund.....	37,636 54
Old books account.....	11,547 37

Making a total with other items	\$2,219,903 92
---------------------------------------	----------------

THE SINKING FUND.

The Sinking Fund for the Redemption of the City Debt,	853,228 48
The Sinking Fund for the Payment of Interest on the City Debt.....	1,280,522 49
Total receipts.....	<hr/> \$15,762,277 22

SUMMARY OF DISBURSEMENTS.

The disbursements for all purposes were as follows:

On City Account.—For the support of the City Government, &c.....	\$6,924,596 58
--	----------------

Loans.—Revenue Assessment, Union Defense Fund, and Volunteer Soldiers' Family Aid Fund Bonds..... \$2,967,000 00

Trust and Special Accounts Assessments.—Assessment Fund..... \$666,995 87
 Charges on Arrears of Taxes..... 777 89
 Central Park Improvement Fund..... 630,641 64
 Croton Water Works Extension and New Reservoir... 397,566 70
 Interest on Assessments..... 147,209 99
 Street Improvement Fund..... 614,422 86
 Volunteer Soldiers' Bounty Fund..... 489,648 22
 Volunteer Soldiers' Family Aid Fund..... 1,248,667 81

And other items, making a total of..... \$4,222,766 26

THE SINKING FUNDS.

The Sinking Fund for the Redemption of the City Debt.. \$1,465,449 31
 The Sinking Fund for Payment of Interest on the City Debt..... 1,245,082 94

\$2,710,532 25

Total payments..... \$16,826,917 88

AGGREGATE APPROPRIATIONS AND EXPENDITURES ON CITY ACCOUNT.

The following table exhibits the aggregate amount of appropriations and expenditures on city account, for and during the years stated :

	Appropriations.	Expenditures.
1858, Dec. 31, balance...	\$988,805 66	.....
1859.....	6,864,667 06	\$6,681,852 94
1860.....	6,571,965 09	6,413,420 22
1861.....	6,837,315 36	6,733,505 35
1862.....	6,248,164 24	6,907,936 36
Appropriations	\$27,510,917 41	\$26,736,714 87
Expenditures	26,736,714 87	
Balance	\$774,202 54	

The necessary means to defray the ordinary expenses of the city government are derived from the following sources, viz.:

1. The general fund, which comprises all the revenues of the corporation, except such as have been specially appropriated and pledged to the sinking funds.

2. The annual taxes, which are included in the general levy made by the Board of Supervisors, for State, county, and city purposes.

The practice of aggregating all the unappropriated revenues under one head, entitled the "General Fund," which was commenced in 1859, (see Controller's annual report for that year, page 23,) has since been recognized and confirmed by law.

VALUATIONS OF PROPERTY.

By the annual return of the Commissioners of Taxes and Assessments to the Board of Supervisors, the aggregate valuations of property within

the city and county, as assessed for taxes, in and for the year 1862, was as follows:

Real estate	\$399,556,404
Personal estate, viz.:	
Belonging to residents.....	\$161,635,344
Belonging to non-residents.....	10,780,687
	<hr/>
	172,416,031

Total, as reported by the Commissioners..... \$571,972,435

The rates and amounts of taxes ascertained by the Board of Supervisors to be necessary to be imposed for 1862 was as follows:

FOR THE USE OF THE STATE.

For common schools	\$428,309 10'
For canals, volunteer militia, and general purposes.....	1,784,621 24
	<hr/>
	\$2,212,930 34
For county purposes, including the support of police .	2,442,652 00
For city purposes.....	4,962,226 38
	<hr/>
Amount required for the payment of appropriations...	\$9,617,808 72
To supply deficiencies in the product of the levy, as per section 6 of chapter 293 of the laws of 1861...	288,462 38
	<hr/>

Total amount required to be levied..... \$9,906,271 10

The amount of the yearly taxes levied in this county during the last four years was as follows:

	For the use of the corporation.	For county and State purposes.	Total.
1859.....	\$6,546,034 11	\$3,314,891 98	\$9,860,926 09
1860.....	6,085,448 60	3,673,059 26	9,758,507 86
1861.....	6,713,293 40	4,914,338 88	11,627,632 28
1862.....	5,111,056 08	4,795,215 02	9,906,271 10
	<hr/>	<hr/>	<hr/>
	\$24,455,832 19	\$16,697,505 14	\$41,153,337 33

TAXES ON PERSONAL ESTATE.

The amount of personal estate annually assessed for taxes in this county is only about thirty per cent of the aggregate valuations of taxable property, as will be seen by the following statement:

	Real estate.	Personal estate.
1859	\$379,051,530	\$172,971,192
1860	398,533,619	178,697,037
1861	406,882,790	174,624,306
1862	399,551,314	172,416,031

There has been received, in part payment for arms and munitions furnished for the use of the United States through the Union Defense Committee, the sum of.. \$106,251 79

Less—Amount of expenditures on account of the Union Defense fund, in excess of the \$1,000,000 borrowed in 1861, upon Union Defense fund bonds..... 1,822 00

Total \$104,429 79

DEBT OF THE CORPORATION.

The aggregate funded and temporary indebtedness of the corporation, at the close of the year 1862, as stated in the Controller's report for that year, page 73, was....		\$25,599,244
The amount of stocks and bonds issued in 1862, was....		5,021,070
Total		<u>\$30,627,314</u>

The amount redeemed and cancelled in 1862, was as follows, viz.:

Revenue bonds of 1861.....	\$390,300	
Revenue bonds of 1862.....	851,200	
Assessment bonds	295,600	
Union Defense fund bonds.....	1,000,000	
Volunteer Soldiers' Family Aid fund bonds, No. 1	500,000	
Public building stock, No. 3.....	50,000	
Public stock for rebuilding Tompkins Market.....	17,000	
Water stock of 1858.....	4,300	
Water stock of 1860.....	27,272	
		<u>3,135,672 00</u>
Total amount, December 31, 1862		\$27,491,642 00
The sinking fund for the redemption of the city debt, on December 31, 1862, amounted to.....		\$7,227,835 12
On December 31, 1858, it was.....		<u>2,698,021 19</u>
Increase in four years.....		\$4,529,813 93

It will be seen from the above, that while the debt has been increased the means of paying the same have also been increased in nearly the same ratio.

NATIONAL BANKING ASSOCIATIONS.

CIRCULAR OF INSTRUCTIONS WITH FORM FOR USE OF THOSE DESIRING TO ESTABLISH NATIONAL BANKS.

We gave last month the substance of the form prepared at the United States Treasury Department, for the use of those persons who propose to associate in the establishment of National Banking Associations. Since then we have received a copy of the circular in full, and give it below, and we think it will be found to contain all the information needed by any desiring to organize an association under the act:

TREASURY DEPARTMENT, OFFICE OF THE
CONTROLLER OF THE CURRENCY, }
WASHINGTON, —, 1863. }

For the instruction and guidance of those who may desire to form Banking Associations under the act entitled "An act to provide a National Currency, secured by a pledge of United States stocks, and to provide for

the circulation and redemption thereof," approved February 25, 1863, the following information is given :

1. The corporate name of these associations will be National Banks, and they will be designated as the First, Second, Third, etc., etc., National Bank of the place in which they may be located. Even where there is but one in a particular town, and no prospect of another, it will still be designated as the First National Bank.

2. Before a certificate is given by the controller authorizing an association organized under this law to commence the business of banking, according to the provisions of the 10th section of the act, such association will be required to transfer and deliver to the Treasurer of the United States interest-bearing bonds to an amount equal to not less than one-third of its capital stock paid in. Neither Certificates of Indebtedness, 7½ Treasury Notes, nor any other evidence of temporary loan, are regarded as the "bonds" contemplated by the 4th section of the act.

3. On the certificate of each bond to be deposited with the Treasurer, as the basis of the National Currency to be issued thereon, there must be written or printed (to be signed by the president or cashier of the association deposing the same) substantially the following words:

"This bond is deposited with the Treasurer of the United States by the [here insert the No.] National Bank at [here insert the name of the place] in trust for said bank, and to secure the redemption and payment of the notes delivered to said bank, under the act of Congress entitled 'An act to provide a National Currency, secured by a pledge of United States stocks, and to provide for the circulation and redemption thereof,' approved February 25, 1863."

A description of the bonds just deposited will be entered upon the books of the Treasurer and on the books of the Controller, and the bonds will be kept in the fire-proof vaults of the Treasury.

With these precautions on the part of the National Banks and the proper officers of the government, it is difficult to conceive of any contingency by which any loss or injury can result to the owners of bonds by reason of their having been deposited with the Treasurer.

4. The United States bonds held by the National Banks, and that part of their capital invested in these bonds, are, it is understood, exempt from National and State taxation. For the amount of National tax to which they will be subject on their circulation, and on their profits, and for license, reference is made to the laws of Congress relating to the internal revenue. The 19th section of the act is superseded by the 7th section of an act to provide ways and means for the support of the government, approved March 3, 1863.

5. Circulating notes of the highest style of engraving, and printed on the best quality of paper, will be furnished to the National Banks at the expense of the government, under the provisions of the act, at the earliest day practicable, and in the order in which the banks are organized. The notes will first be supplied to the associations organized under the act; and inasmuch as serious doubts seem to be entertained in regard to the power of Congress to enlarge or in any way to affect the privileges of corporations created by State authority, it may be deemed best to have these doubts removed by the opinion of the Attorney-General, or the decision of a competent court, before the National Currency is furnished to existing State banks, under the 62d section of the act.

6. Except in special cases, which in the judgment of the Controller, may render an actual examination necessary, the statement, under oath, of the president and cashier and a majority of the directors of the respective National Banks, setting forth the place of residence of the directors, and the amount of stock held and owned by each—the amount of capital actually paid in, and the fact that the requirements of the act have been fully and in good faith complied with—will be considered sufficient evidence to entitle the association to commence the business of banking; and on the receipt of such statement the Controller will give to the associations respectively the certificate contemplated by the 10th section of the act.

7. It is of the highest importance that in the organization of associations the requirements of the 6th section of the act should be fully complied with.

The right of a partner to seal and acknowledge for a copartner is at least questionable. It is therefore important, if partners unite in the preliminary certificate for the organization of a National Bank, that they should sign, seal, and acknowledge the same individually, and not as copartners. It is also desirable that the same rule should be observed in the articles of association.

8. The act provides that the preliminary certificate, with a copy of the articles of association which shall have been adopted, shall be forwarded to the Controller, etc. This would seem to indicate that these instruments should bear date about the same time, and, as near as may be, be concurrent acts.

9. Section 11 of the act seems to require that the articles of association should limit or fix the time for which the association is to continue. The copy of the articles to be forwarded to the Controller should be certified by some officer of the association as being a true copy.

10. The oath required to be taken and subscribed by the directors, duly certified by the officer administering the same, must be forwarded to the Controller before the certificate contemplated by the 10th section will be given. Whenever a new director or directors are elected, the oath taken and subscribed by him or them, and duly certified must also be forwarded to the Controller.

11. All erasures and interlineations are to be carefully avoided in the preliminary certificates and articles of association.

12. The names of the associates should be written in full in the preliminary certificate and articles of association.

13. The original articles of association will require a five cent stamp for each sheet of paper used, and the preliminary certificate a five-cent stamp.

14. Form of preliminary certificates, of articles of association, and of certificates to entitle the associations to commence the business of banking, will be furnished at this office. Forms of reports will also be furnished in due time.

GENERAL FORM OF ARTICLES OF ASSOCIATION.

Articles of association entered into by and between the undersigned, for the purpose of organizing a banking association, to carry on the business of banking under the act of Congress, entitled "An act to provide a National

Currency, secured by a pledge of United States stocks, and to provide for the circulation and redemption thereof," approved February 25, 1863.

1. The name and title of this association shall be, The — National Bank of —.

2. The place of business of this association shall be at — in the State of —.

3. The board of directors of this association shall consist of — stockholders. The first meeting of the stockholders for the election of directors, shall be held at —, on the — day of —, 186—.

4. The regular annual meetings of the stockholders for the election of directors, shall be on the second Tuesday of January of each year; but if for any cause an election shall not be held on that day, it may be held on some other day, according to the provisions of the 40th section of the act.

5. The capital stock of this association shall be — thousand dollars; but the same may be from time to time increased, subject to the limitations of the act, to any sum not exceeding — dollars; and in such increase of capital each stockholder shall have the privilege of subscribing for such number of shares of the proposed increase of stock as he may be entitled to, according to the number of shares owned by him before the increase is made.

The shares of stock shall be one hundred dollars each.

6. The board of directors (two-thirds of whom shall be a quorum to do business) shall elect one of their number to be president, who shall hold his office, (unless he should become disqualified, or be sooner removed by a two-thirds vote of all the members of the board,) for the term for which he was elected a director; and they shall have power to appoint a cashier, and such other officers and clerks as may be required to transact the business of the association; to fix the salaries to be paid to them, and to define their respective duties; and to continue them in office or to dismiss them, as, in the opinion of a majority of the board, the interest of the association may demand. The board of directors shall, by their by-laws, specify by what officers of the association, or committees of the board, the regular banking business of the association shall be transacted, but no loan on real and personal security shall be made without the consent thereto of a majority of the directors.

The board of directors shall also have power to require bonds from the officers of the association, and to fix the penalty thereof; to regulate the manner in which elections of directors shall be held, and to appoint judges of the elections; to provide for an increase of the capital stock of this association, and the manner in which the increase shall be made; to make all by-laws that may be required to regulate the business of the association, and generally to do and perform all acts which are proper to be done by a board of directors, which are not inconsistent with these articles of association, and subject to the limitations and restrictions of the act of Congress under which this association is organized.

7. This association shall continue for the period of nineteen years, unless sooner dissolved by the act of a majority of the stockholders thereof.

8. These articles of association may be changed or amended at any time by a vote of stockholders owning a majority of the stock of the association, and any three stockholders may call a meeting of the stockholders for this purpose.

[Here should follow names of associates.]

SOUTHERN POSTAL REVENUES.

The expenditures of the Post-office Department for the year which ended June 30, 1862, were.....	\$2,924,290 48
The receipts for the same period were.....	1,911,189 05

Excess of expenditure over receipts \$1,013,101 43

The law increasing postage to a uniform rate of ten cents a letter went into operation on the 1st July, 1862.

The expenditures for the next succeeding quarter, ending September 30, 1862, were.....	\$789,571 77
Receipts for same quarter.....	717,191 60

Excess of expenditures over receipts..... \$71,380 17

The receipts for the next succeeding quarter, ending December 31, 1862, were	772,776 27
Expenditures for same quarter.....	657,745 45

Excess of receipts for this quarter over the expenditures \$115,020 82

The total receipts for the first six months of the present fiscal year	\$1,489,957 87
Total expenditures for same period.....	1,447,317 22

Excess of receipts over expenditures..... \$42,640 65

In connection with the foregoing statement, we may mention that the Post-office Department has succeeded in procuring the manufacture, in this city, of a very handsome twenty-cent stamp. This stamp presents a very excellent likeness of General WASHINGTON, and is in all respects a credit to the engravers. The department is now filling orders for stamps of this denomination, which will increase the convenience of paying postage on double letters and packages, and will be found useful in the absence of specie and small notes as change.

APPROPRIATIONS OF THE LAST SESSION OF CONGRESS.

The following is the official recapitulation of the appropriations made at the last session of Congress:

Legislative executive, judicial, and miscellaneous.....	\$12,478,445
Deficiencies for the legislative, executive, etc.....	1,093,252
For the support of the army.....	729,861,898
Deficiency for the support of the army.....	108,732,745
Fortifications.....	6,850,000
Naval service.....	89,848,205
Post-office Department.....	12,930,000
Diplomatic and consular.....	1,260,544
Invalid and other pensions	7,685,300
Indian Department.....	2,131,885
Military Academy.....	183,394

Total..... \$973,055,670

COMMERCIAL REGULATIONS.

DECISIONS OF TREASURY DEPARTMENT UNDER THE TARIFF ACT OF JULY 14, 1862.

THE following decisions have been made by the Secretary of the Treasury, of questions arising upon appeals by importers from the decisions of collectors, relating to the proper classification, under the tariff act of July 14, 1862, of certain articles of foreign manufacture and production entered at the ports of New York and San Francisco :

FLAX YARN.

Treasury Department, May 8, 1863.

SIR : Messrs. SHAW & COFFIN have appealed from your decision assessing duty, at the rate of 35 per cent ad valorem, on certain "flax yarn" imported by them per "St. Andrew" and "Kersenese."

Messrs. SHAW & COFFIN claim to enter the article in question as "imported yarn of flax and jute, which we have always understood to be 20 per cent duty."

Under the 4th subdivision of section 14 of the act of March, 1861, a duty of 30 per cent is imposed ; and under the 5th subdivision of section 10 of the act of July 14, 1862, an additional duty of 5 per cent is levied on "all other manufactures of flax, or of which flax shall be the component material of chief value, and not otherwise provided."

It thus appears your decision was strictly in accordance with the existing tariffs, and it is hereby affirmed.

I am, very respectfully,

GEO. HARRINGTON, *Acting Sec. of the Treasury.*

HIRAM BARNEY, *Collector, &c., N. Y.*

CERTAIN BOOKS AND TRACTS.

Treasury Department, May 14, 1863.

SIR : I have had under consideration your report on the application of WM. WARDLAW, Esq., for the admission, free of duty, of certain "books and tracts" imported by the Protestant Episcopal Society of New York city, for distribution among the Jews.

I do not consider books or other goods, imported by any society for the purpose of distribution, as coming within the provisions of the 23d section of the tariff act of March 2, 1861, admitting free of duty books and other articles "specially imported, in good faith, for the use of any society incorporated or established for philosophical, literary, or religious purposes," etc.

You will please notify Mr. WARDLAW to that effect, and return to him the papers which are herewith transmitted.

Very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

WIDTH OF SILK VELVET.

Treasury Department, May 16, 1863.

SIR: I have considered the appeal of C. GIGNOUX & Co. from your decision assessing duty, at the rate of 40 per cent, on certain "silk velvets" imported by them.

The appellants claim that the velvets measure $19\frac{1}{2}$ inches in width, including the selvage, and thereby cost less than \$3 per square yard, and are subject, under section 2 of the tariff act of August 5, 1861, to 30 per cent duty.

The appellants further state, that the selvage of the velvets in question is of no greater width than is absolutely necessary to make the article complete and merchantable.

The question in this case is limited to the consideration—whether the selvage should be computed in ascertaining the square yard. If it should be, then the velvets cost below \$3 per square yard, and are subject to 30 per cent duty. If it should not be, then they cost more than \$3 per square yard, and are subject to 40 per cent duty.

Woolen manufactures pay by weight, including the selvage or list, and yet list is no more broadcloth than selvage is velvet; besides, if the selvage is not subject to velvet, it would pay no duty, according to the course pursued in the measurement by the appraisers at your port, and yet it is a manufacture of which silk is the article of chief value.

I am of the opinion that the selvage, being manufactured, and bought and sold with the velvet, is an integral part of the fabric, and should be included in computing the width to ascertain the square yard.

Your decision is overruled.

Respectfully,

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

AMERICAN-GROWN COTTON—NOT IDENTIFIED.

Treasury Department, May 20, 1863.

SIR: I have considered the appeal of ROBERT ROY from your decision assessing duty, at the rate of one-half cent per pound, on certain "cotton" imported by him, per ship "Prince Imperial," from Havre.

The appellant claims "that under existing laws said cotton is not liable to any duty, because said cotton is of American growth, and was lawfully imported into Havre, and being now brought back, is entitled to free entry as American-grown cotton."

The act of March 2, 1861, exempts from duty "goods, wares, and merchandise, the growth, production, or manufacture of the United States, exported to a foreign country and brought back to the United States in the same condition as when exported, upon which no drawback or bounty has been allowed: Provided, That all regulations to ascertain the identity thereof prescribed by existing laws, or which may be prescribed by the Secretary of the Treasury, shall be complied with."

In the case under consideration there is no evidence that the provisions of the law, and the regulations of this department in relation to the identification of the goods have been complied with, or that any attempt to do so has been made.

Under these circumstances, your imposition of duty at the rate of one-half cent per pound, under section 8 of the tariff act of July 14, 1862, was perfectly regular.

Your decision is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

COTTON BAGGING.

Treasury Department, May 20, 1863.

SIR: MESSRS. BOALER & BLOOMFIELD have appealed from your decision assessing duty, at the rate of 35 per cent ad valorem on certain "cotton bagging" imported by them, and allege that "the tariff distinctly states that it is to be 3 cents per square yard."

"Cotton bagging" is commercially known and understood to apply exclusively to articles used and suitable to be used for the baling of cotton, without reference to material; and this the phraseology of the law clearly indicates.

The article in question is a manufacture of cotton, and doubtless may be used, as the appellants state, by sugar refiners; it is not, however, known as "cotton bagging," nor is it used for the same general purposes as "cotton bagging," being wholly unfit in material and strength.

Section 14, third subdivision, of the tariff act of March, 1861, levies a duty of 30 per cent, and section 10, fourth subdivision, of the tariff act of July 14, 1862, imposes an additional duty of 5 per cent "on all manufactures composed wholly of cotton bleached, unbleached, printed, painted, or dyed, not otherwise provided for."

Under this classification you have assessed the duty, and your decision is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

HIRAM BARNEY, *Collector, etc., N. Y.*

GRAPE TRIMMINGS.

Treasury Department, May 20, 1863.

SIR: MESSRS. W. H. HORSTMAN & SONS have appealed from your decision assessing duty, at the rate of 40 per cent ad valorem, on certain "crape trimmings" imported by them, and allege "that the silk contained in the goods forms but a small portion of their value, and claim that they are subject to 35 per cent only."

The article in question appears to be one well known and understood by the experts of the customs as "silk and cotton trimmings," of which silk is the component material of chief value, and therefore subject, under section 2 of the tariff act of August 5, 1861, to 40 per cent duty, assessed on "all manufactures of silk, or of which silk shall be the component material of chief value, not otherwise provided for."

Your decision is affirmed.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

HIRAM BARNEY, Esq., *Collector, etc., N. Y.*

BAR IRON, ROLLED OR HAMMERED.

Treasury Department, May 20, 1863.

SIR: MESSRS. CORNELL & NIGHTINGALE have appealed from your decision assessing duty at the rate of 20 per cent, and \$5 per ton, on certain iron imported by them per steamer "City of Manchester," and claim to enter it at 20 per cent ad valorem, and \$3 per ton, under the first subdivision of section 3 of the tariff act of July 14, 1862, which provides an additional duty—

"On bar iron, rolled or hammered, comprising flats not less than one inch or more than seven inches wide, nor less than one-quarter of an inch or more than two inches thick; rounds not less than one-half an inch, nor more than four inches in diameter; and squares not less than one-half an inch, nor more than four inches square, not exceeding in value the sum of \$50 per ton, \$2 per ton; exceeding in value the sum of \$50 per ton, \$3 per ton." The first subdivision of the 7th section of the tariff act of March 2, 1861, levies a duty of \$15 per ton on iron of the foregoing descriptions, providing, however, that it shall not pay a less rate of duty than 20 cent ad valorem, and the 3d section (above quoted) of the act of July 14, 1862, provides an additional duty of \$2 per ton on such iron, not exceeding in value the sum of \$50 per ton, and \$3 per ton if exceeding in value \$50 per ton.

The appraisers at your port have advised you that their opinion in regard to the interpretation of the first subdivision of section 3 of the act of July 14, 1862, by which the duty of 20 per cent ad valorem and \$5 per ton, was exacted on certain iron, was given on a misconception of the phraseology of the law, and in error, and you report a concurrence in their present views.

It appears therefore, that the iron imported by Messrs. CORNELL & NIGHTINGALE is entitled to entry at 20 per cent under the act of 1861, and \$3 per ton additional under the act of 1862, and you will so admit it.

I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, &c., N. Y.*

BUTTON STUFF.

Treasury Department, May 20, 1863.

SIR: MESSRS. WILLISTON, KNIGHT & Co. have appealed from your decision assessing duty, at the rate of 35 per cent ad valorem on certain goods imported by them, classified by you as "manufactures of worsted, cotton, and silk, (silk not chief value,)" and claim to enter them at 10 per cent ad valorem, under the clause in section 6 of the tariff act of July 14, 1862, as follows:

"Lastings, mohair cloth, silk, twist, or other manufacture of cloth woven or made in patterns of such size, shape, and form, or cut in such manner as to be fit for shoes, slippers, boots, bootees, gaiters, and buttons, exclusively, not combined with India rubber."

The law declares that the goods must be fit for certain uses named "exclusively," and by a previous decision of this department the goods must be "in strips or patterns of the size and shape, etc.," to be entitled to entry at ten per cent under above classification.

Samples of the goods imported by Messrs. WILLISTON, KNIGHT & Co.

have been submitted to the experts of the customs, and also to this department, and have been carefully examined.

I am of opinion that the goods in question are not woven or made, or cut in such sizes and shapes as to render them fit for the manufacture of buttons exclusively, but are fit for other purposes, and therefore do not come within the classification entitling them to entry at 10 per cent ad valorem.

Your decision is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, &c., N. Y.*

CREAM OF TARTAR.

Treasury Department, May 8, 1863.

SIR: I have had under consideration the appeal of Messrs. DONNALLY & Co. from your decision assessing duty, at the rate of ten cents per pound, under section 5 of the tariff act of July 14, 1862, on certain "cream of tartar" imported per ship "New Ed," from Hamburg.

The appellants allege that the article in question is "crude tartar," and subject, under the above section, to duty at the rate of six cents per pound.

Samples of the article have been submitted to the experts of the customs, and also to practical chemists, all of whom agree in the opinion that it is unquestionably "cream of tartar," and not "crude tartar," as alleged by the appellants.

Your decision is hereby affirmed.

I am, very respectfully,

GEO. HARRINGTON, *Acting Sec. of the Treasury.*

IRA P. RANKIN, Esq., *Collector, San Francisco.*

FRAUDS UPON THE REVENUE, ETC.

WE have received from the Department of State the following Circular to Consular Officers of the United States:

Department of State, Washington, April 27, 1863.

To the Consular Officers of the United States:

"An act, approved March third, eighteen hundred and sixty-three, to prevent and punish frauds upon the revenue, to provide for the more certain and speedy collection of claims in favor of the United States, and for other purposes," was passed at the last session of Congress, a printed copy of which, in a newspaper, has heretofore been sent to you; it will also be found in the volume containing the Statutes at Large, passed at the third session of the thirty-seventh Congress, which has also been transmitted to you.

At the instance of the Secretary of the Treasury I have to direct your careful attention to the first section of this act, which makes important changes in the mode of verifying invoices. You will also observe that the fourteenth section of this act repeals the seventeenth section of the act entitled "An act increasing temporarily the duties on imports, and for other purposes," approved July fourteenth, one thousand eight hundred and sixty-two, to which your attention was directed by circulars

numbers seventeen and twenty-nine of this department. Such parts of these circulars as relate especially to this section are, in consequence of its repeal, rescinded.

In executing the provisions of the act first above-mentioned you will carefully observe the following instructions, which have been prepared, after consultation with the Secretary of the Treasury, for your information and guidance.

You will notice that the first section of the act requires that all invoices of goods, wares, and merchandise imported from any foreign country into the United States shall be made in triplicate, and signed by the person or persons owning or shipping said goods, wares, or merchandise, if the same have actually been purchased, or by the manufacturer or owner thereof, if the same have been procured otherwise than by purchase, or by the duly authorized agent of such purchaser, manufacturer or owner. These triplicates are to be regarded as *parts* of one and the same invoice, and a fee of two dollars and fifty cents is to be charged for the consular certificate. The Declaration required by this act is to be indorsed upon the invoice, or annexed thereto in such a manner as that no other invoice can be substituted for the original paper. The Declaration is substituted for the oath heretofore required by law. The oath is no longer required.

Secondly. "The place of shipment of merchandise is the place where it has been manufactured or prepared for exportation, and at which its journey to the United States commences, and is not necessarily the place where it is actually put on board ship. Thus, goods manufactured at Manchester or Lyons, which are put on board ship at Liverpool or Havre, respectively, or elsewhere, are to be considered as shipped at Manchester or Lyons, and the invoices must be presented to the consuls at those places, respectively.

But there are classes of merchandise which are brought to a certain condition at one place, and are sent to a second to receive some change in character or value, and which, when perfected, are taken to the great centers of trade, as London, Liverpool, and Havre, where they are invoiced and shipped abroad. The invoices of such goods may be presented to the consuls at the places, respectively, where they are shipped on board of vessels, and may be certified by them, subject to a wise discretion, which is always to be exercised by consular officers.

Thirdly. The parts of invoices retained by consular officers for the purpose of being transmitted to the collector of the port in the United States at which it is declared the entry is to be made, should be forwarded to the collector, in one package, by the master of the vessel in which the shipment is made. Consuls resident in the interior, where goods are purchased, as at Manchester or Lyons, will, in like manner, transmit the parts of invoices perfected by them, and intended for the collector, to the consul at the port of shipment, which is to be designated in such invoices, with a descriptive list, so that he may be able to compare it with the ship's manifest before taking the master's receipt, agreeably to the Form hereto annexed, on the delivery of the invoices at the same time with the ship's papers. If, from any cause, the parts of invoices to be sent to the collectors of customs are not sent by the ship or vessel in which the shipment is made, such packages are to be forwarded to the collector of the port indicated in such invoices by the first mail, the postage to be prepaid, if possible, by the consul.

The parts of invoices retained for the purpose of being filed in the consulate should be carefully numbered, dated, and indorsed with the names of the persons by whom, or in whose behalf, the declarations thereon were made, and be scrupulously preserved.

Consuls, at ports where the goods are shipped on board of vessels, will take care to fasten the parcels transmitted to the collectors of customs with tape, and seal them with wax, on which is to be impressed the consular seal, so that the integrity of the package may be verified by the collectors when they shall be delivered.

As goods, wares, and merchandise, arriving in ports of the United States unaccompanied by the triplicates of invoices, are required by the act of March third, one thousand eight hundred and sixty-three, to be withheld from entry, the importance of a very careful observance of these instructions, in respect to the transmission of the invoices of the goods by the masters of the vessels on board which they are shipped, is manifest, in order to avoid serious loss, delay, and expense.

Fourthly. In view of the frauds upon the customs—which there is reason to believe are frequently committed by means of false and fraudulent invoices—the careful attention of consular officers is directed to the chapter of the Consular Regulations, entitled “Verification of Invoices,” which is still in force, with such obvious modifications as are rendered necessary by the provisions of the act of March third, one thousand eight hundred and sixty-three, now brought to your notice.

Fifthly. By direction of the President, under the provisions of the sixteenth section of the Diplomatic and Consular act, a fee of two dollars and fifty cents is prescribed for the verification of an invoice.

Salaried consular officers are consequently to charge themselves, in their accounts with the Treasury Department, with the sum of two dollars and fifty cents for each and every invoice verified by them, and no consular officer is permitted, under any pretext, to charge a greater sum; this sum includes the whole cost of the verification of an invoice in triplicate, and no charge is to be made for forms or postage.

Sixthly. All fees payable to consular officers of the United States are to be collected in the coin of the United States, or at its representative value in exchange. Under a decision of the Secretary of the Treasury a tender either in United States coin, or its representative value in exchange in the currency of the country where the consular offices are respectively situated, is legal. In arriving at the amount which is thus payable, you will be guided by the “Synopsis of the standard weights, fineness, and value of foreign specie moneys in the money terms and gold of the United States, prepared for the Treasury Department by the director of the United States mint,” with which you have heretofore been furnished, and the Table of Equivalents.

Seventhly. A currency certificate is not required when the invoice is made out in foreign currency contained in the table of equivalents fixed by the laws of the United States, and hereto annexed, unless the said currency has been debased since the date of the act of Congress determining its value, and also in cases where the invoice is made out in a depreciated currency, which is issued and circulated under the authority of any foreign government. In such cases special instructions will be given to consuls in countries so situated.

Eighthly. When the postal regulations of the countries will permit,

you will pre-pay the postage on your letters transmitting invoices to consuls at ports of shipment or to the collectors of customs. You will keep a separate account of the postages paid on these letters, and enter the amount as a separate item in your postage and miscellaneous account with this department, stating the number of invoices which you have transmitted during the quarter, and also the number of letters sent to collectors of customs and to consuls at ports with invoices, and the amount of postage thereon.

Ninthly. Inquiry having been repeatedly made of this department whether invoices of goods require the consular verification, which goods are duty free when imported into the United States from any port or place other than the British North American Provinces, you are instructed that the law excepts only invoices of goods entitled to free entry under the reciprocity treaty with Great Britain: consequently, all invoices, with this exception, are to be verified in the manner required by the first section of the act of March third, eighteen hundred and sixty-three.

Tenthly. Consuls are instructed that the declarations attached to the invoices are to be in the English language, but they are to take care that the signers thereof are made fully to understand their purport.

Eleventhly. Appended to this circular are the forms of declaration and the form of certificate, which are required to be followed by all consular officers; also a form of receipt, to be filled and signed by the master of a vessel receiving invoices for delivery to collectors of customs. This receipt is to be indorsed, numbered, and filed in the consulate. Parcels containing these forms have been sent to all consuls; others will be transmitted whenever they are required, if seasonable application is made to the department.

WILLIAM H. SEWARD.

An act to prevent and punish frauds upon the revenue, to provide for the more certain and speedy collection of claims in favor of the United States, and for other purposes.*

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the first day of July, eighteen hundred and sixty-three, all invoices of goods, wares, and merchandise imported from any foreign country into the United States shall be made in triplicate, and signed by the person or persons owning or shipping said goods, wares, or merchandise, if the same have actually been purchased, or by the manufacturer or owner thereof, if the same have been procured otherwise than by purchase, or by the duly authorized agent of such purchaser, manufacturer, or owner; and said invoices shall, at or before the shipment thereof, be produced by the consul, vice-consul, or commercial agent of the United States nearest the place of shipment for the use of the United States, and shall have indorsed thereon, when so produced, a declaration signed by said purchaser, manufacturer, owner, or agent, setting forth that said invoice is in all respects true; that it contains (if the goods, wares, and merchandise mentioned therein are subject to ad valorem duty,

* See Statutes at Large, vol. xii., pp. 787, 788; also Session Statutes of the thirty-seventh Congress, Sess. III., pp. 787, 788.

and were obtained by purchase) a true and full statement of the time when and the place where the same were purchased, and the actual cost thereof, and of all charges thereon; and that no discounts, bounties, or drawbacks are contained in said invoice but such as have actually been allowed thereon; and when obtained in any other manner than by purchase, the actual market value thereof at the time and place when and where the same were procured or manufactured; and if subject to specific duty, the actual quantity thereof; and that no different invoice of the goods, wares, or merchandise, mentioned in the invoice so produced, has been or will be furnished to any one. If said good, wares, or merchandise have been actually purchased, said declaration shall also contain a statement that the currency in which said invoice is made out is the currency which was actually paid for said goods, wares, or merchandise by the purchaser. And the person so producing said invoice shall at the same time declare to said consul, vice-consul, or commercial agent at the port in the United States at which it is intended to make entry the said goods, wares, or merchandise; whereupon the said consul, vice-consul, or commercial agent, shall indorse upon each of said triplicates a certificate, under his hand and official seal, stating that said invoice has been produced to him, with the date of such production, and the name of the person by whom the same was produced, and the port in the United States at which it shall be the declared intention to make entry of the goods, wares, or merchandise therein mentioned. And thereupon the said consul, vice-consul, or commercial agent shall deliver to the person producing the same one of said triplicates, to be used in making entry of said goods, wares, or merchandise; shall file another in his office, to be there carefully preserved; and shall, as soon as practicable, transmit the remaining one to the collector of the port of the United States at which it shall be declared to be the intention to make entry of said goods, wares, or merchandise. And no goods, wares, or merchandise imported into the United States from any foreign place or country after said first day of July, eighteen hundred and sixty-three, shall be admitted to an entry unless the invoice presented shall in all respects conform to the requirements hereinbefore mentioned, and shall have thereon the certificates of the consul, vice-consul, or commercial agent hereinbefore specified, nor unless said invoice be verified at the time of making such entry by the oath or affirmation of the owner or consignee, or the authorized agent of the owner or consignee thereof, certifying that the said invoice and the declaration thereon are in all respects true, and were made by the person by whom the same purports to have been made, nor except as hereinafter provided, unless the triplicate transmitted by said consul, vice-consul, or commercial agent to the collector shall have been received by him. And if any such owner, consignee, or agent, of any goods, wares, or merchandise, shall knowingly make, or attempt to make, an entry thereof by means of any false invoice, or false certificate of a consul, vice-consul, or commercial agent, or of any invoice which shall not contain a true statement of all the particulars hereinbefore required, or by means of any false or fraudulent document or paper, or of any other false or fraudulent practice or appliance whatsoever, said goods, wares, and merchandise, or their value, shall be forfeited and disposed of as other forfeitures or violation of the revenue laws: *Provided*, That where, from a change of the destination of any such goods, wares, or merchandise, after the production of the invoice thereof to the consul, vice-consul, or commercial agent, as hereinbefore provided, or from other cause, the triplicate transmitted to the collector of the

port to which such goods, wares, or merchandise were originally destined, shall not have been received at the port where the same actually arrive, and where it is desired to make entry thereof, said goods, wares, and merchandise may be admitted to an entry on the execution by the owner, consignee, or agent of a bond, with sufficient security, in double the amount of duty apparently due, conditioned for the payment of the duty which shall be found to be actually due thereon. And it shall be the duty of the collector of the port where such entry shall be made immediately to notify the consul, vice-consul, or commercial agent, to whom such invoice shall have been produced, to transmit to such collector a certified copy thereof; and it shall be the duty of such consul, vice-consul, or commercial agent to transmit the same accordingly without delay; and said duty shall not be finally liquidated until such triplicate, or a certified copy thereof, shall have been received; *Provided*, That such liquidation shall not be delayed longer than eighteen months from the time of making such entry: *And provided, further*, That when, from accident or other cause, it shall be impracticable for the person desiring to make entry of any goods, wares, or merchandise, to produce, at the time of making such entry, any invoice thereof, as hereinbefore required, it shall be lawful for the Secretary of the Treasury to authorize the entry of such goods, wares, or merchandise, upon such terms and in accordance with such general or special regulations as he may prescribe. And the Secretary of the Treasury is hereby invested with the like powers of remission in cases of forfeiture under the revenue laws: *And provided, further*, That the provisions of this act shall not apply to countries where there is no consul, vice-consul, or commercial agent of the United States; nor shall anything herein contained be construed to require for goods imported under the reciprocity treaty with Great Britain, signed June fifth, eighteen hundred and fifty-four, any other consular certificate than is now required by law. And this act shall be construed only to modify and not repeal the act of March first, eighteen hundred and twenty-three, entitled "An act supplementary to and to amend an act entitled 'An act to regulate the collection of duties on imports and tonnage,' passed March second, one thousand seven hundred and ninety-nine, and for other purpose;" and the form of oaths therein set forth shall be modified accordingly: *And provided, further*, That the provisions of this act shall not apply to invoices of goods, wares or merchandise imported into any port of the United States from any place beyond Cape Horn or the Cape Good Hope until the first day of January, eighteen hundred and sixty-four.

Approved March 3, 1863.

DECLARATION TO BE MADE BY THE PURCHASER, MANUFACTURER, OWNER, OR DULY AUTHORIZED AGENT OF SUCH PURCHASER, MANUFACTURER, OR OWNER, WHERE MERCHANDISE HAS BEEN ACTUALLY PURCHASED, AND TO BE INDORSED ON OR ATTACHED BY TAPE AND SEAL TO EACH OF THE TRIPLICATE INVOICES.

I, A B, of ———, do solemnly and truly declare that I am (the purchaser, manufacturer, owner, or the duly authorized agent of the manufacturer, purchaser, or owner, as the case may be) of the goods, wares, or merchandise, in the within invoice mentioned and described; that the said invoice is in all respects true; that, as to all the goods, wares, and merchan-

dise therein mentioned, it contains a true and full statement of the time when, and the place where, the same were purchased, the actual cost and quantity thereof, and of all charges thereon; that no discount, bounties, or drawbacks, are contained in said invoice, except such as have been actually allowed thereon; that the currency in which said invoice is made out is the currency which was actually paid for the said goods, wares, and merchandise, and that no different invoice thereof has been or will be furnished to any one. I further declare that it is intended to make entry of the goods, wares, and merchandise mentioned in said invoice at the port of _____, in the United States of America.

(Signed in triplicate.)

Dated at _____, this _____ day of _____, 18—.

DECLARATION TO BE MADE BY THE OWNER OR MANUFACTURER, OR DULY AUTHORIZED AGENT OF SUCH OWNER OR MANUFACTURER, WHERE GOODS HAVE BEEN PROCURED OTHERWISE THAN BY PURCHASE, AND TO BE INDORSED ON OR ATTACHED BY SEAL AND TAPE TO EACH OF THE TRIPPLICATE INVOICES.

I, A B, of _____, do solemnly and truly declare that I am (the owner or manufacturer, or the duly authorized agent of the owner or manufacturer, as the case may be) of the goods, wares, and merchandise, in the within invoice mentioned and described; that the said invoice is in all respects true; that it contains a true and full statement of the actual market value of said goods, wares, and merchandise, at the time and place, when and where, the same were procured or manufactured, of the actual quantity of said goods, wares, and merchandise, and of all charges thereon; that no discounts, bounties, or drawbacks are contained in said invoice, except such as have been actually allowed thereon; and that no invoice different from the one now produced has been or will be furnished to any one. I further declare that it is intended to make entry of said goods, wares and merchandise at the port of _____, in the United States of America.

(Signed in triplicate.)

Dated at _____, this _____ day of _____, 18—.

CERTIFICATE OF CONSULAR OFFICER TO BE INDORSED ON OR ATTACHED BY SEAL AND TAPE TO EACH OF THE TRIPPLICATE INVOICES.

I, A B, consul _____, do hereby certify that at _____, on this _____ day of _____, A. D. 18—, the within invoice numbered _____, in which are mentioned and described certain, (here insert a general description of the kind of merchandise mentioned in the invoice,) amounting, with the charges thereon, to the gross sum of _____, was produced to me by (name of the person,) the (owner or otherwise) of the goods, wares, and merchandise therein mentioned, who thereupon declared that it was intended to make entry of said goods, wares, and merchandise at the port of _____, in the United States of America. I do further certify that I am satisfied that the person making the declaration hereto annexed is the person he represents himself to be; that he is a credible person, and that the statements made in the said declaration are true.

Witness my hand and seal of office at _____, the day and year aforesaid.

(Signed.)

(SEAL.)

_____ of the United States.

RECEIPT OF MASTER OF VESSEL FOR INVOICES TO BE DELIVERED TO THE
COLLECTOR OF CUSTOMS AT THE PORT OF ENTRY.

[Place. Date.]

I acknowledge the receipt of a package of invoices made up and sealed with the consular seal of the consul at this port, directed to the collector at _____, which I promise to deliver on the entry of the [ship or other vessel,] under my command, at the said port of _____.

(Signed.)

A B,

Master of (ship or other vessel named.)

TABLE OF EQUIVALENTS.

RATES OF FOREIGN MONEY OR CURRENCY FIXED BY LAW.

		Fractional parts of the currency.		Act passed.
Ducat of Naples.....	\$0 80	100 grani	.....	May 22, 1846.
Franc of France and Belgium	18.6	100 centimes	.....	May 22, 1846.
Florin of the Netherlands.....	40	100 "	.....	May 22, 1846.
Florin of the southern States of Ger- many.....	40	60 kreutzers	4 pfennings	May 22, 1846.
Florin of Austria.....	48½	60 "	4 "	May 22, 1846.
Florin of Trieste.....	48½	60 "	4 "	May 22, 1846.
Florin of Nuremberg	40	60 "	4 "	May 22, 1846.
Florin of Frankfort	40	60 "	4 "	May 22, 1846.
Florin of Bohemia.....	48½	60 "	4 "	May 22, 1846.
Florin of the city of Augsburg.....	48½	60 "	4 "	May 22, 1846.
Lira of the Lombardo and Venetian kingdom.....	16	100 centesimi	100 millesimi	May 22, 1846.
Livre of Leghorn.....	16	20 soldi	12 denair	May 22, 1846.
Livre tournois of France.....	18½	.....	.....	Mar. 2, 1799.
Lira of Tuscany.....	16	20 soldi	12 denair	May 22, 1846.
Lira of Sardinia.....	18.6	4 reali	20 soldi	May 22, 1846.
Livre of Genoa.....	18.6	20 soldi	12 denair	May 22, 1846.
Milrea of Portugal.....	1 12	1,000 reas	.....	Mar. 3, 1842.
Milrea of Madeira.....	1 00	1,000 reas	.....	Mar. 3, 1843.
Milrea of Azores.....	83½	1,000 reas	.....	Mar. 3, 1843.
Marc banco of Hamburg.....	35	16 shillings	12 pfennings	Mar. 8, 1843.
Ounce of Sicily.....	2 40	30 tari	20 grani	May 22, 1846.
Pound sterling of Great Britain	4 84	20 shillings	12 pence	July 27, 1842.
Pound sterling of Jamaica	4 84	.....	.....	.....
Pound sterling of British provinces of Nova Scotia New Brunswick, Newfoundland, and Canada	4 00	20 shillings	12 pence	May 22, 1846.
Pagoda of India.....	1 94	36 fanams	48 jittas	Mar. 3, 1801.
Pagoda star of Madras.....	1 84	36 fanams	48 jittas	Mar. 2, 1801.
Real vellum of Spain	5	34 maravedis	.....	Mar. 2, 1799.
Real plate of Spain.....	10	34 maravedis	.....	Mar. 2, 1799.
Rupce company.....	44½	16 annas	12 pice	Mar. 3, 1843.
Rupce British India.....	44½	16 annas	12 pice	Mar. 8, 1843.
Rix dollar (or thaler) of Prussia and the northern States of Germany	69	80 groschen	12 pfennings	May 22, 1846.
Rix dollar of Bremen.....	72½	72 grotes	5 swares	Mar. 3, 1842.
Dollar thaler of Bremen of 72 grotes	71	72 grotes	5 swares	Mar. 3, 1842.
Rix dollar (or thaler) of Berlin	69	80 groschen	12 pfennings	May 22, 1846.
Rix dollar (or thaler) of Saxony.....	69	30 groschen	12 pfennings	May 22, 1846.
Rix dollar (or thaler) of Leipsic.....	69	30 groschen	12 pfennings	May 22, 1846.
Rouble, silver, of Russia	75	100 kopecks	.....	Mar. 3, 1843.
Specie dollar of Denmark.....	1 05	6 marks	16 skillings	May 22, 1846.
Specie dollar of Norway.....	1 06	6 marks	16 skillings	May 22, 1846.
Specie dollar of Sweden	1 06	48 skillings	12 'oro	May 22, 1846.
Tale of China.....	1 48	10 mace	100 candareens	Mar. 2, 1799.

POSTAL INTELLIGENCE.

THE NEW POSTAL ACT.

We give below an official copy of the act relating to the Post-office Department passed at the third session of the thirty-seventh Congress, approved March 3, 1863, which goes into operation July 1, 1863 :

AN ACT TO AMEND THE LAWS RELATING TO THE POST-OFFICE DEPARTMENT.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Postmaster-general shall have power to appoint and commission all postmasters whose salary or compensation for the preceding fiscal year shall at the time of such appointment have been ascertained to be less than one thousand dollars per year ; and in all other cases the President shall appoint. The person appointed postmaster shall reside within the delivery of the office to which he shall be appointed.

SEC. 2. *And be it further enacted,* That the Postmaster-general, all postmasters and special agents, and all persons employed in the General Post-office, or in the care, custody, or conveyance of the mail, hereafter appointed or employed, shall, previous to entering upon the duties assigned to them, or the execution of their trusts, and before they shall be entitled to receive any emoluments therefor, in addition to the oath of office prescribed by the act of July two, eighteen hundred and sixty-two, respectively take and subscribe the following oath or affirmation before some magistrate, and cause a certificate thereof to be filed in the General Post-office : " I, A. B., do swear (or affirm, as the case may be) that I will faithfully perform all the duties required of me, and abstain from every thing forbidden by the laws in relation to the establishment of the Post-office and post roads within the United States ; and that I will honestly and truly account for and pay over any moneys belonging to the said United States which may come into my possession or control ; so help me God." Every person who shall be in any manner employed in the care, custody, conveyance, or management of the mail, shall be subject to all pains, penalties, and forfeitures for violating the injunctions or neglecting the duties required of him by the laws relating to the establishment of the post-office and post roads, whether such persons shall have taken the oath or affirmation above prescribed or not.

SEC. 3. *And be it further enacted,* That no mail matter shall be delivered by the postmaster until the postage due thereon shall have been paid ; and no box at any post-office shall be assigned to the use of any person until the rent therefor has been paid for at least one-quarter, for which the postmaster shall give a receipt, and keep a record thereof in his office, which record shall be delivered to his successor.

SEC. 4. *And be it further enacted,* That every postmaster shall keep a record in his office of all postage stamps and envelopes, and of all postal

books, blanks, or property received from his predecessor in office or from the Post-office Department, or from any of its agents, and also of all payments in money for postages, and all payments for box rents, and of all other receipts on account of any part of the postal service, and of any other transactions which shall be required by the Postmaster-general, and these records shall be preserved and delivered over to his successor in office, and shall be at all times subject to examination of any special agent of the department.

SEC. 5. *And be it further enacted*, That whenever, by reason of the presence of a military or naval force near any post-office, unusual business accrues thereat, the Postmaster-general is hereby required to make a special order allowing proportionately reasonable compensation to the postmaster, and for clerical service, during the period of such extraordinary business.

SEC. 6. *And be it further enacted*, That it shall be the duty of postmasters to render a quarter-yearly account to the Postmaster-general, under oath, in such form as the latter shall prescribe, of all emoluments or sums by them respectively received for boxes or pigeon holes, or other receptacles for letters or papers, and by them charged for to individuals; or for the delivery of letters or papers at or from any place whatever; and of all emoluments, receipts, and profits that have come to their hands by reason of keeping branch post-offices; and no postmaster shall hereafter, under any pretence whatever, have or receive or retain for himself, in the aggregate, more than the amount of his salary. And the Postmaster-general is further authorized to require, by a form to be prepared by him, a sworn statement to accompany or following the quarterly account of any or all postmasters to the effect that such postmaster has in such account truly stated the entire amount of postages, box-rents, and all other charges and emoluments collected or received by him at his office during such quarter; and that he has not knowingly delivered, or permitted to be delivered, to any person any mail matter on which the postage had not been paid at the time of delivery; and that such quarterly account exhibits truly and faithfully the entire receipts of his office which have been collected thereof, and the entire sum which could have been by due diligence collected thereof, as he verily believes, and that the credits he claims are just and true, as he verily believes; and any false swearing therein shall render him liable to the pains and penalties of perjury.

SEC. 7. *And be it further enacted*, That the Postmaster-general is hereby authorized to regulate periods during which undelivered letters shall remain in any post-office, and the times such letters shall be returned to the dead letter office, and to make regulations for their return to the writers from the dead letter office, when he is satisfied they cannot be delivered to the parties addressed. He is authorized also to order the publication of the list of non-delivered letters at any post-office, in his discretion, by writing, posted in a public place or places, or in any daily or weekly newspaper regularly published within the post-office delivery having the largest circulation within such delivery; and where no daily paper is published within the post-office delivery, such list may be published in any daily newspaper of any adjoining delivery having the largest circulation within the delivery of the post-office publishing [the] list; but in no case shall compensation for such publication be allowed at a rate exceeding one cent

for each letter so advertised; and no such publication shall be required except where the Postmaster-general shall decide that the public interest requires it: *Provided*, That letters addressed to parties foreign born may be published in a journal of the language most used by the parties addressed, if such be published in the same, or an adjoining delivery.

SEC. 8. *And be it further enacted*, That dead letters containing valuable enclosures shall be registered in the department; and when it appears that they can neither be delivered to their address, nor to the writers, the contents thereof, so far as available, shall be included with the receipts of the Post-office Department, and the amount thereof shall be shown in the annual report, and shall be subject to reclamation by either the party addressed, or by the sender, for four years from registry thereof, careful account being kept of the same. All other letters deemed of value or of importance to the party addressed, or to the writer, and which it appears cannot be returned to either destination, shall be disposed of as the Postmaster-general shall direct.

SEC. 9. *And be it further enacted*, That the Postmaster-general may provide by regulation for the disposition, for the benefit of the Department, of printed matter which remains in any post-office, or in the Department, not called for by the party addressed; but the postmaster shall notify the publisher of any newspaper or periodical of the fact when any subscriber shall refuse to take the same from the office, or shall neglect to call for the same for the period of one month, which notice may be sent free under the regulation to be provided by the Postmaster-general.

SEC. 10. *And be it further enacted*, That the action of the Post-office Department respecting foreign dead letters shall be subject to conventional stipulations with the respective foreign administrations.

SEC. 11. *And be it further enacted*, That letter-carriers shall be employed at such post-offices as the Postmaster-general shall direct for the delivery of letters in the places respectively where such post-offices are established; and for their services they shall severally receive a salary, to be prescribed by the Postmaster-general, not exceeding eight hundred dollars per year: *Provided*, That, on satisfactory evidence of their diligence, fidelity, and experience as carriers, the Postmaster-general may increase their respective salaries from time to time to any sum not exceeding one thousand dollars, at offices where the income from postages on the local letters shall yield a sum more than sufficient to pay all expenses of the carrier system at such offices; each of the said carriers shall give bond, with sureties, to be approved by the Postmaster-general, for the safe custody and delivery of all letters, packets, and moneys received by him.

SEC. 12. *And be it further enacted*, That whenever the Postmaster-general shall have perfected the carrier system in any postal district so as, in his judgment, to justify him therein, he is authorized to make delivery, within any prescribed postal district, of mail matter by letter carriers, as frequently as the public convenience in such district shall require, and shall make all proper regulations for that purpose.

SEC. 13. *And be it further enacted*, That the Postmaster-general is authorized, when, in his judgment, the public interest or convenience may require it, to establish one or more branch post-offices, and also pillar boxes, or other receiving boxes for the safe deposit of matter for the mails and for delivery; and in case of such establishment of a branch office, the person in charge thereof shall be appointed, and his salary fixed, as in

the case of a letter carrier, and the like bond required: *Provided*, That the post officer in charge of the branch office may also be a depository for the sale of stamps, to be delivered to him for that purpose by the postmaster of that postal district in sums not at any time to exceed one-half of the penalty of his bond.

SEC. 14. *And be it further enacted*, That all expenses for the letter-carriers, branch offices, and receiving boxes, or incident thereto, shall be entered and reported in a separate account from the ordinary postal expenses of such post-office, and shall be shown in comparison with the proceeds of the postages on local mail matter at each office, in order that the Postmaster-general may be guided in the expenditures from that branch of the postal service by income derived therefrom; and all such expenses shall be paid out of the income of the post-office at the districts in which they are incurred.

SEC. 15. *And be it further enacted*, That the postmaster of any office where letter-carriers are employed may contract with the publishers of any newspapers or periodicals, and with the publishers of any circulars, for the delivery by postal-carriers, within his postal district, of any such publications not coming through the mails, at rates and upon terms to be agreed upon, such arrangement and terms being equally open to all like publishers, but such contract shall have no force or effect until approved by the Postmaster-general. The Postmaster-general may also provide by regulation for the delivery by such carriers of small packets other than letters or papers, and not exceeding the maximum weight of mailable packages; but such packages must be prepaid by postage stamps at the rate of two cents for each four ounces or fraction thereof.

SEC. 16. *And be it further enacted*, That no postmaster shall receive to be conveyed by the mail any packet or package which shall weigh more than four pounds, except books published or circulated by order of Congress.

SEC. 17. *And be it further enacted*, That upon the following mailable matter the postage must be prepaid at the time of mailing, by stamps, unless otherwise expressly provided in this act:

First. Upon all domestic letters, whether passing through the mails or collected or delivered by postal agents or carriers.

Second. On all transient printed matter.

Third. On all seeds, cuttings, bulbs, roots, and scions; all pamphlets, books, book manuscripts, and proof-sheets, maps, prints, engravings, blanks, flexible patterns, samples, and sample cards, phonographic paper, letter envelopes, postal envelopes, paper, and photographic representations of different types.

Fourth. Upon all other things in the mail not otherwise herein provided for.

SEC. 18. *And be it further enacted*, That upon the following mailable matter the postage shall be paid before delivery for not less than one-quarter nor more than one year; and such payment for a term may be made either at the mailing office or at the office of delivery. If the term commences at any other time than at the beginning of a quarter, and also for the next following quarter; otherwise the postage shall be collected thereon as on transient matter:

Upon regular weekly, tri-weekly, semi-weekly, and daily publications,

and all other regular publications, issued from office of publication at stated periods and sent to regular subscribers.

SEC. 19. *And be it further enacted*, That mailable matter shall be divided into three classes, namely: first, letters; second, regular printed matter; third, miscellaneous matter.

SEC. 20. *And be it further enacted*, That the first class embraces all correspondence, wholly or partly in writing, except that mentioned in the third class. The second class embraces all mailable matter exclusively in print, and regularly issued at stated periods, without addition by writing, mark, or sign. The third class embraces all other matter which is or may hereafter be by law declared mailable; embracing all pamphlets, occasional publications, books, book manuscripts, and proof sheets, whether corrected or not, maps, prints, engravings, blanks, flexible patterns, samples, and sample cards, phonographic paper, letter envelopes, postal envelopes or wrappers, cards, paper, plain or ornamental, photographic representations of different types, seeds, cuttings, bulbs, roots, and scions.

SEC. 21. *And be it further enacted*, That the maximum standard weight for the single rate of letter postage is one-half ounce avoirdupois.

SEC. 22. *And be it further enacted*, That the rate of postage on all domestic letters transmitted in the mails of the United States, and not exceeding one-half ounce in weight, shall be uniform at three cents; and for each half ounce, or fraction thereof of additional weight, there shall be charged an additional rate of three cents, to be in all cases prepaid by postage stamps plainly affixed to such letter.

SEC. 23. *And be it further enacted*, That the rate of postage on all letters not transmitted through the mails of the United States, but delivered through the post-office or its carriers, commonly described as local or drop letters, and not exceeding one-half ounce in weight, shall be uniform at two cents, and an additional rate for each half ounce or fraction thereof of additional weight, to be in all cases prepaid by postage stamps affixed to the envelop of such letter; but no extra postage or carrier's fee shall hereafter be charged or collected upon letters delivered by carriers, nor upon letters collected by them for mailing or for delivery.

SEC. 24. *And be it further enacted*, That the domestic letter rate of postage is established for all mailable matter which is wholly or partly in writing, or is so marked as to convey any other or further intelligence or information than is conveyed by the original print in case of printed matter, or which is sent in violation of law or regulations of the Department touching the enclosure of matter which may be sent at less than letter rates, and for all matter introduced into the mails for which no different rate is provided by law: *Provided*, That book manuscripts and corrected proofs passing between authors and publishers may pass at the rate of printed matter: *And provided, further*, That publishers of newspapers and periodicals may print or write upon their publications sent to regular subscribers the address of subscribers and the date when the subscription expires, and may enclose therewith receipts for payment and bills for subscription thereto.

SEC. 25. *And be it further enacted*, That on all matter not enumerated as mailable matter, and to which no specific rates of postage are assigned, and which shall nevertheless be mailed, the rate, if the same shall be forwarded, is established at the rate of letter postage.

SEC. 26. *And be it further enacted*, That if any matter on which by

law the postage is required to be prepaid at the mailing office shall reach its destination without such prepayment, double the prepaid rates shall be charged and collected on delivery.

SEC. 27. *And be it further enacted*, That the Postmaster-general is authorized to provide by uniform regulation for transmitting unpaid and duly certified letters of soldiers, sailors, and marines in the service of the United States to destination; and all other letters which from accident or neglect appear to have been deposited for mailing without prepayment of postage, where, in the latter class, the writer is not known, or cannot be promptly advised of his default; but in all cases of letters not prepaid, except certified soldiers' and naval letters, the same shall be charged with double rates of postage, to be collected on delivery.

SEC. 28. *And be it further enacted*, That when any writer of a letter on which the postage is prepaid shall endorse in writing or in print upon the outside thereof his name and address, with a request that the same be returned to him if not called for or delivered within any number of days, (not to exceed thirty days,) any such letter shall not be advertised nor treated as a dead letter at the office addressed, but shall be returned as requested, charged with the proper postage at the prepaid rate, to be collected on the return delivery; and if not then delivered, shall be treated as a dead letter.

SEC. 29. *And be it further enacted*, That the postage on returned dead letters, not registered as valuable, shall be three cents for the single rate; on returned dead letters, registered as valuable, double rates shall be charged.

SEC. 30. *And be it further enacted*, That all letters directed to any person not found at the office addressed may be forwarded to any other office where he may be found, with additional charge of postage therefor.

SEC. 31. *And be it further enacted*, That the Postmaster-general shall have authority to pay, or cause to be paid, a sum not exceeding two cents each for all letters conveyed in any vessel or steamboat, not employed in carrying the mail, from one port or place in the United States, or from any foreign port to any port within the United States, subject to such regulations as the Postmaster-general may prescribe. But all such letters shall be deposited in the post-office at the port of arrival, for mailing or delivery; and if for delivery within the United States shall be rated with double rates of postage, which shall cover the fee paid to the vessel. No fees shall be allowed for letters collected by a carrier on a mail route.

SEC. 32. *And be it further enacted*, That, for the greater security of valuable letters posted for transmission in the mails of the United States, the Postmaster-general is authorized to establish a uniform plan for the registration of such letters on application of parties posting the same, and to require the payment of the postage, as well as a registration fee not exceeding twenty cents on every such letter or packet, to be accounted for by postmasters receiving the same in such manner as the Postmaster-general shall direct: *Provided, however*, That such registration shall not be compulsory, and it shall not render the Post-office Department or its revenue liable for the loss of such letters or packets, or the contents thereof; and provision shall be made by regulation for a return receipt to the writer, showing to whom and when such registered letter was delivered, which receipt shall be received in the courts as prima facie evidence of such delivery.

SEC. 33. *And be it further enacted*, That the maximum standard weight for the single rate of postage on matter classed as printed matter, and also on that classed as miscellaneous matter, is four ounces avoirdupois, subject to the exceptions in the next following section provided.

SEC. 34. *And be it further enacted*, That the rate of postage on transient mailable matter of the second class, and also on all miscellaneous matter of the third class, (except circulars and books,) shall be two cents for each four ounces or fraction thereof contained in any one package to one address; and such postage shall in all cases be fully prepaid by stamps, plainly affixed to the wrapper thereof. Double these rates shall be charged for books. Unsealed circulars not exceeding three in number shall pass at the single rate of two cents, and in that proportion for a greater number, adding one rate for three circulars, or less number thereof, directed to one address. No extra postage shall be charged for a card printed or impressed upon an envelop or wrapper. These rates must in all cases be prepaid by stamps.

SEC. 35. *And be it further enacted*, That the rate of postage upon mailable matter of the second class, issued once a week or more frequently from a known office of publication, and sent to regular subscribers, shall be as follows: Upon newspapers and other periodical publications, each not exceeding the standard weight of four ounces, and passing through the mails or post offices of the United States between any points therein, the rate of each quarter of the year shall be: for publication issued once a week, five cents; issued twice a week, ten cents; issued three times a week, fifteen cents; issued six times a week, thirty cents; issued seven times a week, thirty-five cents; and in that proportion, adding one rate for each issue more frequent than once a week. For weight exceeding four ounces, and not exceeding eight ounces, an additional rate shall be charged; and on the same scale, an additional rate for each additional weight of four ounces or fraction thereof; and such postage must be prepaid for a term not less than one quarter nor more than one year, at either the office of mailing or delivery, at the option at the subscriber, of which payments a record shall be made and preserved in the post-office where paid; and no such publication shall be delivered from the office until such payment is made; but the publishers of weekly newspapers may send to each actual subscriber within the county where their papers are printed and published one copy thereof free of postage.

SEC. 36. *And be it further enacted*, That the rate of postage upon mailable matter of the second class, issued less frequently than once a week, from a known office of publication, and sent to regular subscribers, shall be as follows: Upon newspapers, magazines, and other periodical publications, each not exceeding the standard weight of four ounces, and passing through the mails or post-offices of the United States between any points therein, the rate for each such paper or periodical shall be one cent, and an additional rate of one cent for each additional weight of four ounces or fraction thereof; *Provided*, That the Postmaster-general may provide by regulation for the transportation of small newspapers in packages at the same rate by the standard weight of the package when sent to one address; and the rates herein provided must be prepaid at either the office of mailing or of delivery, at the option of the subscriber, for a term not less than one quarter nor more than one year, except that newsdealers may pay the postage upon their packages as received at

the same rates pro rata as yearly or semi-annual subscribers who pay postage quarterly in advance.

SEC. 37. *And be it further enacted*, That publishers may enclose in their publications sent to regular subscribers the bills for subscription thereto without any additional charge for postage, and may write or print upon their publications, or upon the wrappers thereof, the name and address of the subscribers thereto, and the date when the subscription will expire; but any other enclosure or addition in writing or in print shall subject the same to letter postage, which shall be collected before delivery thereof.

SEC. 38. *And be it further enacted*, That the Postmaster-general may from time to time provide by order the rates and terms upon which route agents may receive and deliver at the mail car or steamer packages of newspapers and periodicals delivered to them for that purpose by the publishers, or any news agent in charge thereof, and not received from, nor designed for delivery at, any post-office.

SEC. 39. *And be it further enacted*, That the Postmaster-general has authority to prescribe by regulation the manner of wrapping and securing for the mails all matter not charged with letter postage, nor lawfully franked, so that the same may be conveniently examined by postmasters; and if not so wrapped and secured, the same shall be subject to letter postage. He may also provide by regulation for ascertaining by furnished lists, by affidavit or otherwise, whether publishers send or have sent their publications unpaid through the mails to other than regular subscribers.

SEC. 40. *And be it further enacted*, That postmasters, at the office of delivery, are authorized, and it shall be their duty, to remove the wrappers and envelopes from printed and other matter not charged with letter postage, nor lawfully franked, for the purpose of ascertaining whether there is upon, or connected with, any such printed matter, or in such package any matter or thing which would authorize or require the charge of a higher rate of postage thereon.

SEC. 41. *And be it further enacted*, That the Postmaster-general may require an affidavit in form, to be prescribed by general regulation, to be taken by any publisher, or any clerk, agent, or servant of such publisher of any paper or periodical, which by the terms of this act, may be sent to regular subscribers without pre-payment of postage at the mailing office, to the effect that neither he nor any other proprietor, clerk, agent, or employe, within his knowledge, has sent, or caused or permitted to be sent, through the mails, without pre-payment by postage stamps, any copies of such paper or periodical, (naming it,) except the same were sent to bona fide and regular subscribers thereto. And if it be ascertained that such papers or periodicals have been thus unlawfully sent, with the knowledge or consent of such proprietors, or of the agent or clerk in charge of that business, or if such affidavit, when required by the Postmaster-general, or by a special agent of the Post-office Department, shall be refused, the person guilty of such offence, or refusing such oath, shall be liable to a fine of fifty dollars in each case, to be recovered by suit before any court of competent jurisdiction, one half of which when recovered shall be paid to the informer.

SEC. 42. *And be it further enacted*, That authority to frank mail matter is conferred upon and limited to the following persons: First, the President of the United States, by himself or his private secretary; sec-

ond, the Vice President of the United States; third, the chiefs of the several executive departments; fourth, such principal officers, being heads of bureaus or chief clerks of each executive department, to be used only for official communications, as the Postmaster-general shall by regulation prescribe; fifth, Senators and Representatives in the Congress of the United States, including delegates from Territories, the Secretary of the Senate and Clerk of the House of Representatives, to cover correspondence to and from them, and all printed matter issued by authority of Congress, and all speeches, proceedings, and debates in Congress, and all printed matter sent to them—their franking privilege to commence with the term for which they are elected and to expire on the first Monday of December following such term of office; sixth, all official communications addressed to either of the executive departments of government by an officer responsible to that department: *Provided*, That in all such cases the envelop shall be marked "official," with the signature thereto of the officer writing the communication. Seventh, postmasters have also the franking privilege for their official communications to other postmasters: *Provided*, That in all such cases the envelopes shall be marked "official," with the signature of the writer thereto, and for any and every such endorsement of "official" falsely made the person making the same shall forfeit and pay three hundred dollars; eighth, petitions to either branch of Congress shall pass free in the mails; ninth, all communications addressed to any of the franking officers above described, and not excepted in the foregoing clauses, must be prepaid by postage stamps. The franking privilege hereinbefore granted shall be limited to packages weighing not exceeding four ounces, except petitions to Congress and Congressional or executive documents, and such publications or books as have or may be published, procured, or purchased by order of either House of Congress, or a joint resolution of the two Houses, which shall be considered as public documents and entitled to be franked as such; and except also seeds, cuttings, roots, and scions, the weight of the packages of which may be fixed by regulation of the Postmaster-general.

SEC. 43. *And be it further enacted*, That all publishers of periodicals, magazines, and newspapers which shall not exceed sixteen ounces in weight shall be allowed to interchange the publications reciprocally free of postage: *Provided*, That such interchange shall be confined to a single copy of each publication.

SEC. 44. *And be it further enacted*, That this act shall be in force and take effect from and after the thirteenth day of June, eighteen hundred and sixty-three.

SEC. 45. *And be it further enacted*, That all acts and parts of acts in consistent with the provisions of this act are hereby repealed.

NAUTICAL INTELLIGENCE.

COENTIES REEF.

In November, 1860, a contract was entered into by the city authorities with the New York Submarine Engineering Company, for blasting and removing this reef to a mean depth of twenty feet at low water. The company commenced operations in May, 1861, and completed one-half the work to the satisfaction of the Street Department in the following October. During the season of 1860 the company's engineers were actively engaged for the government, under the orders of General BURNSIDE, in North Carolina, but they have now resumed the work on the reef. In 1861 the sloop, diving bell, etc., were surrounded by strong booms moored on the reef, which would, it was supposed, afford ample protection to the men and machinery employed. During that season, however, numerous steamboats, sailing vessels, etc., came in collision with the boom, during both day and night, causing serious damage, loss, and delay, and on one such occasion the foreman of the work received an injury from which he died in a few days.

In consequence of such unlooked for casualties and dangers, the company has been compelled to forego the great facilities offered by the diving bell, and in place of booms, which, in the collisions referred to, were broken up, have adopted the use of spar buoys by way of notice to vessels passing the reef, by one of which the sloop, with machinery, etc., is moored—the sloop showing lights at night.

Notwithstanding these precautions, we learn that the schooner "Howard" recently came in collision with the sloop, doing serious damage, and carrying her down, with buoy and anchor, nearly to Governor's Island, entailing great expense on the contractors.

Similar difficulties were encountered by the parties who contracted to remove Diamond Reef. It would seem, indeed, that contractors for such works are entirely at the mercy of careless navigators.

When the work on Coenties Reef was commenced there was no more than fourteen feet upon it at low water, and considering the great importance of rendering that part of the East River practicable for navigation at all times of the tide, we shall be glad to learn that more care is observed by parties in charge of passing vessels during the present operations, and that increased facilities and protection will be afforded by the city and harbor authorities to the contractors while trying faithfully to perform their difficult task.

Deprived, by reason of the danger to human life in the collisions referred to, of the use of the diving bell in which drilling the rock for blasting was carried on, the New York Submarine Engineering Company must, we learn, rely entirely on Prof. MAILLEFERT's method of blasting for breaking down the rock, which entails, however, a largely increased expenditure of gunpowder.

THE BOOK TRADE.

The Pentateuch and Book of Joshua Critically Examined. By the Right Rev. JOHN WILLIAM COLENSO, D.D., Bishop of Natal. New York: D. APPLETON & Co.

The Gentle Skeptic; or, Essays and Conversations of a Country Justice on the Authenticity and Truthfulness of the Old Testament Records. Edited by the Rev. C. WALWORTH. New York: D. APPLETON & Co. London: 16 Little Britain.

The bulky Monarch of the seas, buoyant as blubber and an immaculate digestion can make him, amuses himself with clumsy gambols in the Arctic Ocean, and now and then, to vary the fun, opens his mouth sportively, engulfs a million or so of the minute *Clio Borealis*, shuts his serene jaw, and swims on in unperturbed majesty. So might the Gentle Skeptic swallow up at a mouthful poor Bishop COLENSO, his silly books, and all his adherents, merely by way of pastime, or as an appetizing pill before breakfast. We are so tired of the weak JOHN WILLIAM, and his feeble lucubrations, that it tries our patience to see the religious world rise and rush to extinguish him with their biggest fire-engines, when all that is necessary is just to snuff out his little light gently, with the thumb and finger. We shall therefore make no further reference to the matter, except to say that the "Gentle Skeptic" was not written as an answer to Bishop COLENSO, and that we place the two in combination, simply because the former, in its comprehensive grasp of the whole question of Biblical truth, utterly refutes, quashes, and annihilates the African bishop.

The "Gentle Skeptic" emanates from a Roman Catholic source; a fact which only augments our admiration at its being so learned, so scriptural, and so liberal. Here and there through the book, appear sentiments which cannot meet with the concurrence of a Protestant mind, and which are almost inevitable to an author writing from such a standpoint; yet in these remarks there is nothing bigoted or assuming, but only such a polite statement of opposite opinion, as one gentleman might make to another, without arrogance and without offense. As for the manner of the book, it is entirely unexceptionable; the style is charming; clear, decisive, and comprehensive, with just a sufficient mixture of lighter matter to keep one entertained as well as instructed. The chapter upon miracles is nearly coincident in its main arguments with the one on the same subject in Dr. BUSHNELL's grand work on "Nature and the Supernatural;" and the one on "Inspiration," deserves especial consideration as being an exponent of the views of some of the most profound and devoted among Bible students, and as furnishing, in our own opinion, the only truthful, tenable, and satisfactory view of the question. As a whole, the book is certainly one of the most perfect, and deserves to be one of the most popular of its kind; it is learned without pedantry, solid, without heaviness, steadfast, without stubbornness, and sprightly, without frivolity. We give it our most hearty and sympathetic approval; and commend it not only to the "fresh, intelligent, live young men of the country," for whom it purports to be especially designed, but to every man or woman who loves to read noble truths admirably treated.

Life in the Open Air, and Other Papers. By THEODORE WINTHROP, author of "John Brent," etc., etc. Boston: TICKNOR & FIELDS.

This is announced as the last volume of WINTHROP's works, since the tales, sketches, and poems still remaining among his manuscripts were never fully prepared by him

for publication, and will therefore never be given to the world. The present volume contains, in addition to "Life in the Open Air," the sparkling little novelette called "Love and Skates," published more than a year ago in the "Atlantic Monthly," and the "New York Seventh Regiment Papers," which excited such general interest upon their appearance two years ago. There are also several fragmentary pieces, and the book closes with an enthusiastic article upon Mr. CHURCH's magnificent picture of the "Heart of the Andes." To say that a book is issued by TICKNOR and FIELDS has become equivalent to asserting in detail the paramount excellence of print, paper, and binding, and the volume before us presents the additional attraction of a fine portrait of the author, and a woodcut of Mount Katahdin, taken from an original sketch by Mr. CHURCH.

Lilian. Boston: TICKNOR & FIELDS.

We should be glad to say nothing whatever of "Lilian," for the simple fact that we look upon it as the production of a very young person. To mention one of the least, among the many internal evidences to that effect—it seems to us that anything as old as a full-fledged chippie-bird, ought to know that spring flowers, summer fruits, and autumn crops are not found in a high state of perfection at the same day in any gardens; unless it be in the Hesperides, which are not now open to the American public. This is an insignificant error, certainly, but it indicates a slight want of experience. Not having been born grown-up ourselves, like Adam and Eve and a few modern sages, we feel a pitying tenderness for youthful deficiencies, and are quite willing to admit with Mr. PIRR, that "youth is a fault that time soon remedies." The book is surely a pretty, ladylike, well-bred book, behaving with propriety upon all occasions, and proving itself to be of gentle blood; but the story is very sentimental; brimful of moonlight and catastrophe; and it flits briskly about from ball-room brilliancy to convent gloom, from Indian wigwam to Roman sarcophagus, with a romantic alacrity fatiguing to the middle-aged mind. We cannot dissociate it mentally from a dish of early peas with which we were once regaled. Through a laudable pride in her garden, and the harmless ambition to be a little in advance of the rest of the world, the good housewife was somewhat premature in presenting them. There was nothing to be said against them; they were quite sweet enough, and almost too tender for comfort; but the general impression with regard to them may be best understood by the remark of a young hero of seven. "Father," in solemn tones, "would these have been peas if they had lived to grow up?"

Good Thoughts in Bad Times, and Other Papers. By THOMAS FULLER, D.D. Boston: TICKNOR & FIELDS, 1863.

Out of the past there comes to us the voice of one who, being long dead, yet speaketh. More than two centuries have gone by since THOMAS FULLER's eloquence charmed King CHARLES and his courtiers, and since his powerful pen helped to calm the tumults consequent upon a terrible civil war. Yet after all this time, human nature with its necessities and capacities, its temptations and escapes, is still so like its former self, that the words of this noble old divine go as straight to the heart as though he were now among us. FULLER was gifted with one of the most wise, genial, and lovable natures that man has ever possessed, and his writings are but an impress of himself. They are witty, original, quaint; full of saintly humility, cheerful courage, and exquisite humour. His name and praises are a fruitful theme, for to us he has been a most cherished friend from childhood; but nobody's words can give so just an idea of him as his own, and we refrain from further comment to leave room for two

or three extracts. The style of the book is particularly adapted to quotation, as the "Good Thoughts" are written principally in short and disconnected paragraphs.

"Scripture observations.

"1. Matthew, 13: 8. Lord, in the parable of the four sorts of ground whereon the seed was sown, the last alone proved fruitful. There the bad were more than the good; but amongst the servants, two improved their talents, or pounds, and only one buried them. There the good were more than the bad. Again, amongst the ten virgins, five were wise and five foolish; there the good and the bad were equal. I see that concerning the number of the saints in comparison to the reprobates, no certainty can be collected from these parables. Good reason, for it is not their principal purpose to meddle with that point. Grant that I may never rack a Scripture simile beyond the true intent thereof, lest, instead of sucking milk, I squeeze blood out of it."

"8. Matthew, 1: 7, 8. Lord, I find the genealogy of my Saviour strangely checkered with four remarkable changes in four immediate generations.

"1. Roboam begat Abia; that is, a bad father a bad son.

"2. Abia begat Asa; that is, a bad father a good son.

"3. Asa begat Josaphat; that is a good father a good son.

"4. Josaphat begat Joram; that is, a good father a bad son.

"I see Lord, from hence, that my father's piety cannot be entailed; that is bad news for me. But I see also, that actual impiety is not always hereditary; that is good news for my son."

In another place he tells us that, hearing a "Passing Bell," he stopped and prayed for the dying person, but afterwards discovered that he had died some hours before. "However," he adds, "my heart thus poured out was not spilt upon the ground. My prayers, too late to do him good, came soon enough to speak my good will. What I freely tendered God fairly took according to the integrity of my intention. My prayers I am sure are returned into my own bosom, and the party I hope is in Abraham's."

The Conscript; a Tale of War. By ALEXANDER DUMAS, author of "The Count of Monte Cristo," etc., etc. Philadelphia: T. B. PETERSON & BROTHERS. Price \$1 50.

We have been agreeably surprised in reading this volume, to find it decidedly less martial than its name would indicate. War has ceased to be a diverting topic, and authors must wait till the millenium before they can expect to amuse the people of these United States by fictitious details of bloody battles. "The Conscript" is, in truth, a simple, natural pleasant story of peasant life; the chief characters are Conscience and Bastien, both good in their way. The former is the hero of the tale, thoughtful and wise; the latter is a generous, reckless, witty soldier-dandy, whose heart, in spite of the hardening effect of camp life, and the appalling tightness of his belt, remains big and tender to the last. It is a pity that the vivacity of the original has not been more uniformly preserved in the translation, but as it is, the book is readable and entertaining, and is issued in very good style.

What to Eat, and How to Cook It; containing over One Thousand Receipts. By PIERRE BLOT, late Editor of the "Almanack Gastronomique," of Paris, and other Gastronomical Works. New York: D. APPLETON & Co.

Monsieur BLOT stands very high in the catalogue of the great men of gastronomic art. Indeed we place but one before him; and that one is the *chef de cuisine*, who could cook eggs in five hundred ways, and whose simplest sauce for boiled chicken required thirty-two ingredients, and cost nineteen dollars and a quarter. We are sure

that after a careful perusal of the following receipt for "Sauce Espagnole," our readers will readily admit that Monsieur BLOR stands very close to his illustrious competitor. "Spread half a pound of butter in the bottom of a stew-pan, lay in it lean ham, veal, partridge, wild rabbit, pheasant, or fowl of any kind, four ounces of each, one carrot cut in slice, one onion with a clove stuck in it, half a turnip, and a sprig of thyme; let it simmer, etc., then add two tablespoonfuls of flour, a wine glass of white wine, salt, pepper, a clove of garlic, a sprig of parsley, one clove, one bay-leaf, and two mushrooms cut in pieces; simmer, etc." To appalled housekeepers, we would state that there are many simpler receipts, said to be extremely healthy, and to blend gastronomy with economy; supposed, in short, gracefully to combine the maximum of health and the minimum of wealth. To all patriotic Americans we commend the omelet à la Washington, which the author asserts was "a favorite dish to the father of his country, and was often served on his table when he had a grand dinner." It is impossible for us to endorse this statement, as we were never present upon those occasions, but the American archives are still extant, and may be consulted at leisure by inquiring patriots. To epicures we would briefly say, that their love of novelty may be completely satisfied in the receipts under the heads of "Fox," "Skunk," "Ostrich," and "Snails." In addition to the "one thousand receipts," there are many directions which every housekeeper will appreciate, with regard to the buying and keeping of provisions, and a whole regiment of bills of fare, ranging from a washing-day dinner to an alderman's feast.

Lecture on the Symbolic Character of the Sacred Scriptures. By REV. ABIEL SILVER, Minister of the New Jerusalem Church, New York. New York: D. APPLETON & Co.

The above is a Swedenborgian book, which purports to elucidate the science of correspondences; a somewhat mystical subject to our minds, but probably clear enough to satisfy the followers of SWEDENBORG.

We are obliged to omit other notices of new publications intended for this number

PAMPHLETS RECEIVED.

Castles Heir. A Novel in Real Life. By Mrs. HENRY WOOD, author of "The Chanings," "Verner's Pride," etc. Illustrated. 2 vols. Price 50 cents. T. B. PETERSON & BROTHERS, Philadelphia.

Appleton's Railway and Steam Navigation Guide for June. Price 25 cents. New York: D. APPLETON & Co., 448 and 445 Broadway.

The Crisis. D. APPLETON & Co. An essay suggested by the peculiar situation of our country, containing many statements which we cannot endorse, and yet written in a style that will command many readers.

Astronomical and Meteorological Observations, made at the United States Naval Observatory during the year 1861. Published by authority from the Hon. Secretary of the Navy. Washington: Government Printing Office.

Union Foundations. A Study of American Nationality as a Fact of Science. By Captain E. B. HUNT, Corps of Engineers United States Army. New York: D. VAN NOSTRAND, 192 Broadway

THE MERCHANTS' MAGAZINE

AND
COMMERCIAL REVIEW.

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THE MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

AUGUST, 1863.

SILVER;

ITS PRODUCTION, COINAGE, AND RELATIVE VALUE AS COMPARED WITH GOLD.

THE use of the precious metals for money, or as a circulating medium, is more ancient than authentic history, since even the earliest historians refer to it as a synonym of wealth. Of course this supply must have been obtained by mining, and probably for more than forty centuries no year has elapsed in which some amount has not been extracted from the ore. The most ancient writings give instances of immense quantities having been in the possession of monarchs and individuals. Abraham, to purchase Macpelah, weighed out to the sons of Heth "four hundred shekels of silver *current money with the merchant*;" Solomon "made silver and gold at Jerusalem as plenty as the stones," and its use in ancient Rome was profuse in the luxuries of living. On the fall, however, of the Empire and the lapse into the dark ages, the use of the metals was less active, since there was less commerce, and they were therefore hoarded to a considerable extent—reappearing when commerce and the arts began to revive. Still, during all that time the production of silver and gold had been going on, and as they are not liable to destruction so much as other metals, or as likely to be lost, since they are guarded with such jealous care, the actual quantities in possession of the human race must have been constantly increasing. The Arabian mines are known to have been worked by the ancients, and those of Africa, Asia, and parts of Europe yielded largely. They furnished far more annually before the discovery of America than they have done since.

Without, however, going into a long calculation upon this part of our subject, we may accept the figures that have been given by the highest European authorities, who assert that the amount of metals in the world at the date of the discovery of America, was \$2,066,666,666. We would, however, remark, in passing, that this figure is, in our opinion, low, since if the net production was only \$700,000 per annum for 3000 years, it would reach that amount. In this estimate one-third of the whole was silver, and, at the time referred to, the value of silver in relation to gold

was as 10 to 1—that is, 10 ounces of silver was worth 1 ounce of gold, or about what it had been under the Roman Empire. During the long ages when violence ruled, and commerce and the arts suffered a total eclipse, gold was used as coin more than silver, because it was more easily transported and concealed. Hence the piece of gold rose at that time, as compared with silver, to 1 to 13. Both metals, however, bore a high value compared with other commodities, because, next to lands, they could, of all property, be most readily secured and preserved. The disposition to hoard was general, and it was well that it was so; for had it not been, the currency which sufficed to perform the service of trade and commerce in the flourishing times of the Roman Empire would have become altogether redundant, while production of other commodities was restricted and general trade fell into decay through political disquiet.

When the crusaders needed the ready means to fit out knights and their followers for their Eastern enterprises, those who advanced money took the soil as security, and Western Europe was drained of much of its currency. In a few centuries trade began slowly to revive and production to increase. Money was then more in demand, and as a consequence of this increased demand and decrease in supply its value was great; in other words, prices were very low. The tendency to low prices also increased as the products of industry multiplied, and in their turn attracted the metals through the hands of merchants, always seeking those products where they are cheapest.

It happened that, in forming their currencies, most nations of Europe adopted silver. The demand for that metal thus created tended to raise its price as compared with gold. Hence at the date of the discovery of America the growing demand for money, created by increasing prosperity, caused both metals to appreciate, and silver more than gold. Wheat in England was at that time 10s. 5d. per quarter, or about one-fifth of its present price in money.

The opening of the American mines, 1492, poured into Europe a continued stream of silver and gold, but mostly of the former metal. This had the effect, in the course of half a century, of greatly stimulating general production and business and raising prices, indicating that the new supply was rather more than the actual wants of business required. In other words, the productions of the precious metals was somewhat in excess of the relative productions of all other commodities in commercial countries. At the same time, although silver was more generally in demand for currency than gold, yet its production so much exceeded that of gold that it depreciated relatively in the proportion of 15 to 1. The yield from the American mines from 1492 to 1825, according to carefully prepared tables in a report to the twenty-first Congress, by Mr. INGRAHAM, was \$4,310,000,000 in silver, and \$1,890,000,000 in gold. The same report showed that the product in the last fifty years of the eighteenth century was forty ounces of silver to one of gold.

The causes operating to depreciate the metals, particularly silver, reached their greatest effect in 1546, from which time the influence of the large supplies of silver from America began to be felt, and the relative value of gold has continued to increase almost up to the present dates. We have prepared the following table, showing the relative value of the two metals, gold and silver, from 1344 up to 1863, according to the price paid by the mint of Great Britain:—

PROPORTIONATE VALUE OF FINE GOLD TO FINE SILVER.

	Gold to silver.		Gold to silver.
1344.....	1 to 12.475	1547.....	1 to 11.400
1349.....	1 to 11.141	1549.....	1 to 11.250
1356.....	1 to 11.286	1552.....	1 to 11.186
1401.....	1 to 11.350	1553.....	1 to 11.198
1421.....	1 to 10.527	1560.....	1 to 11.315
1464.....	1 to 10.331	1600.....	1 to 11.700
1465.....	1 to 11.983	1604.....	1 to 12.109
1470.....	1 to 11.446	1626.....	1 to 13.431
1482.....	1 to 11.429	1666.....	1 to 14.485
1509.....	1 to 11.400	1717.....	1 to 15.209
1527.....	1 to 11.455	1816.....	1 to 15.209
1543.....	1 to 12.000	1849.....	1 to 15.632
1545.....	1 to 10.714	1852.....	1 to 15.371
1546.....	1 to 10.000	1863.....	1 to 15.069

There have been many other disturbing causes in the value of money. Among these are the restrictions upon its free transit on the part of many governments, the increased use of various kinds of mercantile paper, the growth of populations, and the increased production of that wealth of which it is the function of the metals to affect the interchange, and in the last century the progress of the British army in India, by which a flood of wealth was transferred to England, and, so to speak, let loose upon the world. So, too, at the close of the last century other great events occurred to affect the value of the precious metals. The United States became a nation and commenced a career of great commercial prosperity; France went through a revolution, during which she reformed her coinage, and laid the foundation of great future prosperity by increased freedom of individual action; in England steam and many labor-saving machines were invented. These events were in their future action to stimulate immensely the production of wealth in Europe, England, and America, and consequently to cause a greater demand for the metals, and their influence began to manifest itself in 1816, when the coinage of England underwent a thorough reform and a great recoinage took place. From that time the commerce of the three countries increased rapidly. The exports of France, England, and United States progressed as follows:

EXPORTS OF FRANCE, ENGLAND, AND THE UNITED STATES.

	England.	France.	United States.	Total.
1816....	\$174,408,635	\$74,540,870	\$10,959,531	\$259,909,036
1837....	266,842,850	192,256,950	26,804,799	485,904,609
1848....	255,028,990	156,318,711	132,904,121	544,251,822
1860....	679,456,135	426,961,150	373,189,274	1,479,606,559
1862....	620,689,060	410,436,280	212,920,639	1,244,045,979

Although these figures of the foreign exports of each country do not of themselves show a necessity for more specie, since the settlement of this foreign trade is nearly all in bills; yet they indicate the ratio in which the wealth of each country increased, and therefore show the necessarily increased internal demand for coin to transact it. Thus, for instance, the national surplus products of these three countries, during the thirty-two years of peace after the exhausting wars, nearly doubled to

1848, when the gold discoveries of California began to act on industry throughout the world. In that fourteen years which have since elapsed the increase has been 125 per cent. In other words, the annual product of the three countries in thirty-two years increased \$285,000,000 per annum. In the fourteen years which have since elapsed they have increased to \$700,000,000 per annum.

The coinage of the three countries in the period named, up to 1848, was as follows:

	France.		United States.		Great Britain.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
Louis XVIII.....	\$77,866,180	\$122,983,704	\$4,394,845	\$25,814,647	\$161,870,500	\$41,914,000
Charles X.....	10,583,218	126,328,923	1,968,090	16,781,047	71,216,500	2,831,500
Louis Phillip.....	43,142,560	350,054,610	64,054,415	39,911,824	187,640,240	20,634,940
Total.....	\$131,631,958	\$599,377,237	\$71,151,850	\$79,007,578	\$420,771,740	\$66,379,440

A large part of the English coinage from 1816 to 1824 was recoinage. The United States coinage from 1830 to 1848, or during the reign of Louis Philip of France, was under the reform of the gold coinage. The coinage of the other nations of Europe in the same period was also large. Austria coined \$86,000,000 in silver, and Prussia, \$25,070,000. This progressive coinage, as trade increased, had a tendency to make the metals dearer, but this was counteracted by the extended use of paper money in the United States and Great Britain, which supplied the place of the metals while it lasted, but which caused two revulsions: one in 1825 and one in 1837. France used no paper, and therefore increased her supply of the metallic currency at the expense of the other nations. In the United States, Congress had neglected its duty of regulating the value of money, and allowed foreign coins to remain a legal tender. As a consequence of this the Spanish fractions circulated for more than their real value, and their silver coins came in great abundance in exchange for gold, until the law of 1837 lowered the relative value of the gold coins. In fact the original coinage of the United States was on the basis of 15 silver to 1 gold; but in the period that had elapsed the price of silver had depreciated until it was 16 to 1—its production having increased more than gold. Hence the necessity for the change in the basis of the coinage.

The continued growth of national prosperity in England and America was making still larger demands upon coin, notwithstanding the use of paper, and also notwithstanding the further fact that even up to the discovery of the gold mines of California the precious metals in the world had increased as follows:

	Silver.	Gold.	Total.
1492	\$644,444,444	\$1,422,222,222	\$2,066,666,666
1848	1,125,000,000	1,781,250,000	5,906,250,000

This last estimate is on the authority of the French Academy, and generally received as a close approximation. The proportion of silver to gold had greatly increased, and although most countries made silver the great circulating currency, its proportion to gold had fallen from 10 to 1 to 16 to 1. Under these circumstances the world was startled with the discovery of gold in California in 1848, and news was confirmed by the appearance of the metal in the markets of the world in the 1849. This was followed by the discovery of gold in Australia in April, 1851. Since that time the product has been large and regular, as well from those two sources as from the old mines of Russia, of Europe, Africa, and America,

which continued their production. From 1848 to the close of 1862 the total production of gold has been as follows :

California.....	\$641,445,000
Australia and New Zealand.....	533,363,037
Russia.....	212,110,201
Old mines of Europe, Africa, Asia, and America..	136,875,000

Total gold in 15 years.....	\$1,523,793,238
“ silver “ “	678,255,930

These figures for Russia and the old mines are drawn from the most authentic data laid before the French Academy, except for the last two years, which are estimated at the average of the former five years. The California and Australia figures are those of actual deliveries. If now we add these totals to those of 1848, we have the quantity of gold and silver in the world as follows :

QUANTITY OF GOLD AND SILVER IN THE WORLD.

	Silver.	Gold.	Total.
1492.....	\$644,444,444	\$1,422,222,222	\$2,066,666,666
1848	4,125,000,000	1,781,250,000	5,906,250,000
1862.....	4,803,255,930	3,305,048,238	8,108,279,168

It results from these figures that the relative proportions of the two metals have in the last fifteen years undergone great changes. Silver has increased, it appears, $16\frac{1}{2}$ per cent, and gold has increased 85 per cent. This great change has been effected without producing any perceptible change in the relative value of the metals in the markets of the world. Gold has not apparently depreciated in its value compared with silver, as it was expected would be the case. There seems to be two reasons for this. The first is what we have already alluded to, viz: the great development during the early part of the century of industry and traffic, following the cessation of devastating wars, and requiring more money than was before needed. The next is, that a similar development has been going on in India and China, where one half the human race exist, and those countries have therefore kept up a steady demand for silver, which, withdrawn from the channels of European circulation, left a vacuum into which gold has rushed. The first effect of gold, in raising prices of commodities, attracted the products of Asia, and those countries demanded silver in exchange. The following table of the imports of Indian products into England in a series of years indicates the nature of the increase of the trade :

IMPORTS FROM BRITISH INDIA—VALUE.

	1855.	1856.	1857.	1858.	1859.	1860.	1861.
Cotton.....	£2,241,979	£3,530,410	£3,416,883	£2,894,779	£3,901,109	£3,389,076	£9,334,115
Hemp, Jute and other articles.	504,264	638,300	610,913	685,948	837,167	671,176	729,172
Indigo.....	1,512,097	2,190,131	1,791,644	1,997,511	1,619,604	2,220,119	2,605,634
Seeds.....	1,962,501	2,545,372	1,826,336	1,774,558	2,344,898	2,075,274	1,971,449
Silk.....	559,319	565,405	184,697	509,561	296,283	60,895	136,505
Sugar.....	1,043,480	1,871,279	1,928,006	1,059,291	1,101,716	939,026	821,458
Tea.....	2,661	82,908	147,989	91,152	132,255	230,064	165,964
Wool.....	490,977	576,944	673,493	490,521	462,100	609,861	614,999
Total.....	£3,352,268	£12,000,544	£12,083,961	£9,507,321	£10,695,108	£10,235,491	£16,379,286

This steady rise in value from \$30,000,000 to \$60,000,000 in 1857, producing a drain of silver, was one of the causes of the revulsion in that

year. Since then the purchases of Indian produce, mostly cotton, have risen to \$90,000,000.

The quantity of silver annually exported from England and the Mediterranean to Asia has been as follows per English official reports :

	England.	Mediterranean.	Total.
1851.....	\$8,362,500	.....	\$8,362,500
1852.....	12,116,210	.....	13,116,210
1853.....	23,550,000	4,240,000	27,790,000
1854.....	15,555,000	7,255,000	22,821,000
1855.....	32,075,000	7,620,000	39,695,000
1856.....	60,590,000	9,950,000	70,540,000
1857.....	86,477,170	10,180,291	96,657,461
1858.....	25,444,250	16,150,000	31,594,250
1859.....	33,298,120	7,340,280	40,638,400
1860.....	40,620,182	8,120,204	48,740,386
1861.....	36,399,175	7,980,000	44,379,175
1862.....	53,551,045	9,150,000	61,701,045
1863, six months.....	21,256,514	11,737,271	32,993,781
Total.....	\$450,306,162	88,723,046	\$539,029,208

This immense outpouring of silver to the East has existed as long as there has been a history of trades. It is the sort of wealth the semi-civilized Orientals still prize best, and the demand for it has augmented rather than slackened in the most recent times. As the vast population of India improves in condition, and the wealth of the country, developed by railroads for exports, increases to feed the growing wants of Western Europe, broader and deeper is the stream of silver which sets back in return. This table does not comprise all the silver sent to Asia. Russia sends annually a large amount by way of Kiachta, and from other sources it finds its way thither.

This stream of silver is fed from the countries of Europe, which in exchange receive gold chiefly from England. In illustration, we take from French official sources the import and export of silver into and from that country since 1848 :

SILVER INTO AND FROM FRANCE.

	Imports.	Exports.
1848.....francs	233,330,020	19,306,560
1849.....	291,414,760	46,846,060
1850.....	147,693,360	82,308,900
1851.....	178,629,800	100,680,840
1852.....	179,857,160	182,574,720
1853.....	112,568,040	220,453,480
1854.....	99,848,480	263,542,200
1855.....	120,891,400	318,051,040
1856.....	109,895,300	393,518,600
1857.....	97,518,100	459,218,000
1858.....	160,619,375	175,735,225
1859.....	149,281,431	210,204,891
1860.....	130,605,400	287,848,055
1861.....	172,179,787	233,993,067
1862.....	131,442,333	217,527,320
Total francs.....	2,315,848,046	3,200,899,958

It results from these figures that France has lost 885,051,912*f.* of silver, or \$165,000,000, in the fifteen years here mentioned, yet her whole metal circulation has largely increased. The amount of the metals in France was in—

1848.....frances	3,500,000,000
1856	4,800,000,000
1863	6,594,130,679

From the following table we see that France has gained apparently 3,000,000,000 of francs in fifteen years, distinguishing the metals as follows :

	Gold—Increase.	Silver—decrease.	Net gain.
1848 to 1856.....frances	1,461,492,400	162,144,780	1,299,347,620
1856 to 1863.....	2,517,037,811	722,907,132	1,794,130,679
Total.....	3,978,530,218	885,051,912	3,093,478,299
U. S. money.....	\$745,969,414	\$165,947,233	\$580,022,181

France has abandoned \$165,947,253 in silver to the rest of the world, and taken in exchange gold. By continuing also the use of a metallic currency during a period of great inflation in other countries, she increased her supply at the expense of those nations, and has likewise sold French produce for \$580,022,181 worth of gold, and now is doubtless by far the richest country in the precious metals. Her great increase in wealth and prosperity, under the empire, is indicated in this swelling volume of the metals ; but other nations have also increased their supplies.

The mode in which gold has supplanted silver in France is apparent in the following table of coinage at the French mint down to the latest returns of the mint :

FRENCH COINAGE.

	Gold.	Silver.
1848 .....frances	39,697,740	119,731,093
1849	27,109,560	206,548,663
1850	85,192,390	86,458,485
1851	267,709,570	59,327,309
1852	27,028,270	71,918,445
1853	342,964,020	20,099,488
1854	526,528,200	2,129,887
1855	447,427,820	25,500,305
1856	508,281,995	54,422,214
1857	511,295,684	65,075,271
Total, 10 years	2,755,235,249	711,205,164

If we compare this coinage of ten years with that given above up to 1848, we have results as follows :

	Gold.	Silver.
1848	\$131,631,908	\$599,377,237
1857	516,606,609	133,350,967
Increase.....	\$384,974,701	Dec. \$466,016,290

This indicates the complete change in the monetary system of France,

and the same change is going on in all the countries of Europe. It follows that the demand for gold for currency is constantly on the increase, while that for silver for the same purpose is continually diminishing, and this fact counteracts the tendency of gold to depreciate as compared with silver. In fact, the precise contrary result from what was expected has taken place ; instead of silver getting dearer, as compared with gold it gets cheaper, and its increased cheapness aids in propelling it towards India. We say this was contrary to the general expectation, for the large quantities of gold mined induced the belief that it would depreciate as compared with silver. But as we have seen, the positive demand for the latter has lessened, and besides its supply has increased much beyond what it was before the discovery of California gold, as is shown in the above table of the production of the metals. This increased production was also due to California, since the discovery of cinnabar or quicksilver in that country has imparted activity to many mines of silver which before were not worked. Quicksilver is an indispensable agent in the profitable mining of silver. During the previous twenty-five years none but the richest silver mines could be worked in Mexico, in consequence of the continually enhancing price of quicksilver, which was only produced in any considerable quantity in the mines of Almaden, in Spain. The principal source of the wealth and power of Mexico consists in her mines of silver, and she had, while she owned California, in her own territory vast mountains of cinnabar or ore of quicksilver, but an overruling Providence decreed that she should be kept in ignorance of it. The Americans were no sooner in possession than they found both gold and quicksilver. Notwithstanding the high price of labor in California, quicksilver is wrought and sold there for fifteen cents per pound, while the ruling price in the London market for Spanish quicksilver has been equal to one dollar per pound.

Before the revolt of the Spanish American colonies Spain sold the quicksilver at \$50 per quintal ; after that event the price rose to \$130 per quintal. This price drove the less productive mines out of the market, as they could no longer be worked at a profit. The Spanish Government then pledged the Almaden mines to the house of ROTHSCHILD, and the price rose still higher, and the supply of silver became artificially restricted. Thus, the price of quicksilver acted as a ligature upon the mines, which, by checking the supply of money, affected prices of all commodities throughout the world. The quicksilver mines of California acted as a charm. The mines became more profitable to work, old ones were reopened, and the silver stream from the American mountains became broader and deeper. This of course aided in depreciating silver, which is to-day, as we before stated, cheaper as compared with gold, than it was on the discovery of the California mines. The last quotation for silver in London in the open market was 61½ pence per standard ounce, which is to gold as 16.000 to 1, against 15.632 to 1 in 1849, a fall of 2½ per cent in the value of silver as compared with gold, a fact, as before stated, exactly contrary to what was expected by the public as a consequence of the supply of gold.

In the month of April, 1852, the present writer on the occasion of preparing some tables for the Senate Committee on Finance, upon the subject of the new coinage, remarked upon the panic which then existed in relation to silver as follows :

“Up to the close of 1850, the California supply of gold had reached

\$41,000,000, and silver attained its highest price. In the year 1851, the supply was \$63,000,000, and up to March \$70,000,000. Thus the whole supply of gold was \$111,000,000, and during the delivery of two-thirds of that amount silver *fell two per cent* in the open market. This single fact is enough to show that there was really no relative change in the value of the two metals arising from the enhanced abundance of one. The rise is to be ascribed to other causes, mostly political, but also to a considerable extent to the fears of governments and bankers in relation to the probable effect of the increase in gold. All through Europe the banks and private bankers held considerable sums of the national coins, which, in nearly all the countries, are silver. When, therefore, gold threatened to become cheap or to fall in value materially, all permanent holders of it sought to exchange it for the metal which was to rise, and this very attempt to exchange produced to some extent that which was anticipated. The demand for silver for banking purposes and for hoarding throughout Europe carried large quantities out of the channels of commerce, as much as if it had returned to the mines and its absence was supplied by increased coinage of gold, more particularly in France and the United States. *

* * * The coins of France circulate to a considerable extent in Germany, Belgium, and Italy. If now political events caused the withdrawal of \$80,000,000 of silver from circulation, and its place was supplied with gold, as seems probable, the price of silver would rise during its withdrawal, but would cease to rise with a pause in that market, because its function as money was supplied by gold, and as soon as it begins to return upon the markets its price will fall perhaps *lower than before*, until it becomes re-absorbed in the circulation. This process seems now to be going on. It was the positive and effective demand from fortuitous causes which caused it to rise, and not the negative influence of gold upon it."

This seems to be just what has taken place. The active local demand for silver has ceased, and gold has been accepted in its place; while if silver has not returned from India, but has, on the contrary, continued to go thither, the supply from the mines and from the channels of European circulation have exceeded even that large Indian demand. The new American mines of Washoe and other localities have produced \$5,226,461 of silver, and will henceforth be very profitable.

A PRESENT FOR MR. ERICSSON.

The builders of iron vessels, after the plan of Captain ERICSSON, have prepared for presentation to him a beautiful and appropriate present. It is a model of a monitor made of pure gold, 25 inches long, 5½ inches wide, and 1¼ inches deep, and is modeled on a scale of ¼ of an inch to a foot. In every particular the model resembles the monitor vessel, except in size. It has a revolving turret, with guns in it, a smoke pipe, binnacle, steam whistle, etc. The machinery which turns the turret also sets an organ in motion which plays four tunes—Yankee Doodle, Star-Spangled Banner, Life on the Ocean, and a national air of Sweden, the country of Captain ERICSSON. The cost of the model monitor was \$7,000. It is to be exhibited in several of the principal cities before it is presented. JOHN D. BENTON, of Wilmington, Del., was the manufacturer.

1863

COMMERCIAL ECONOMY.

BY A. K. SHEPARD.

NEXT in importance to the science of political economy, or the knowledge of the relations of society to government, is a knowledge of the principles upon which commerce is founded, and of the proper relations existing between it and the various interests of society.

The most successful merchant is not always he who amasses the most money, but he who accumulates it in the proper observance of the immutable laws which govern the commercial and social as well as the physical world. The man who has neglected no other duties in the pursuits of commerce, nor suffered his moral nature to become dwarfed by a slavish subservience to money, is truly successful, whether his portion of worldly goods be great or small. That so few men succeed is a proof of the prevailing ignorance or disregard of the simple but important principles of commercial economy.

Consider for a moment the operations of Wall-street; the bolstering up of worthless securities; the fictitious rise and fall of stocks, uninfluenced by any real cause. An "operator," by putting up a "margin," carries stocks to many times the amount of his capital, enough to have the decline of a single day sweep away his whole fortune. Or if the "bulls" are in the ascendant and a rise comes instead of a decline, he may become, as many have of late, a millionaire by the lucky investment of a few thousands. In neither case is this right. In the first instance we can readily discern the wrong, but can we as well in the second? Is it right that a reckless gamester, without the exertion of intellect, industry, or even adequate capital, should become the possessor of millions, with all the opportunities for good or evil which wealth bestows? Money, like any other good, (for it is *good*, and only ignorance or folly apply it to evil purposes,) should only be attained by exertion. The winning gambler is no more virtuous than the losing one. These suddenly-acquired fortunes are the curse of this country.

Let a man of the most ordinary capacity, possessed only with the necessary recklessness, venture but a small "margin" in the stock or grain market. He makes his "calculations" and thinks he knows it all. By chance the market takes a favorable turn, (it might as easily have gone the other way,) and he has won. Behold his self-adulation and complacency. He can never after take advice. It is all through his "genius," "shrewdness," and "business talent."

He builds a larger house; his conjugal partner, ever ready to assist in any expenditure that will excite the envy of her dear friends and neighbors, indulges in new carpets and mirrors and costly furniture. His family expenses increase. But his luck turns perhaps after he has well "spread" himself. (An expressive term if well considered.) His ventures are not so successful. His mind is always on the rack to provide the means for carrying on his schemes. Afraid of what Mrs. Grundy will say, he dare not reduce his style of living. Thus he continues under a hopeless burden, till the inevitable crash buries him. This is no exceptional case, but as statistics of business failures abundantly prove, it is only a type of a very large class of American merchants; the successful being the exceptional.

The cause of misfortunes like these is, evidently, too great facilities for obtaining credit. Probably nine out of every ten merchants "carry" property to even ten and twenty times the amount of their capital. Their risks are enormous, and *interest* is their bane. The young men of America have a great lesson yet to learn, viz.: that saving more than gaining is the true course to wealth. That prudence and economy (not meanness) always result in competence, besides leaving the mind and body in a healthful state; while a wild, speculative career brings upon its votary premature old age, a decrepit body, an exhausted mind, and, at the close of life, generally an exhausted purse. Business, as most of our people practically interpret it, instead of being a means to an end, is made the grand end and aim itself, and every thing else subservient to it. Scheme is crowded upon scheme, project upon project, with no relaxation, no intermission. If recreation is sought, it is on the high pressure plan, at some crowded Saratoga or Newport, where the motto is, "the greatest excitement in the shortest time," that the treadmill may be again set in motion. This overdone business, this doing too much is eminently the fault of our commercial system, or more properly want of system and sound principles.

It is urged by advocates of the "wildcat" plan of business that credit is the life of commerce. So it is when properly guarded and representing something of value, but it should be surrounded by every safeguard, that its benefits may not be improperly bestowed. Too much credit is the great fault of American business, as a general tendency towards expansion is the fault of American society; all our enterprizes being laid out on too great a scale and not sufficiently well developed in detail.

A late financial writer remarks that "paper money has inaugurated all our great improvements. It has paid for our railways and canals, and has built our steamships, and why should we now hesitate to make use of it?" True, it has done all this, but what of the panics and the poverty, distress and shaken confidence that follow in their train? How many of the railroads which our credit system and paper money have given us pay dividends? How many have not rather proved "elephants" of the largest description to their luckless founders? We have now enough railways in operation for ten times our population, thinly scattered over a half cultivated country as it is.

But the mismanagement of railway interests is not the only evil result of excessive credit induced by paper currency. Take for instance the bread-stuff trade, a branch of commerce whose importance to the country increases daily. Its legitimate pursuits are almost deserted for the slippery but enticing field of speculation.

The proportion of legitimate shipping or commission merchants is alarmingly small. Between the producer and consumer produce changes hands a multiplicity of times, and all this buying by parties who have no use for it, either to supply a regular trade or to manufacture, tends to give to the article a fictitious value. The real facts of supply and demand are never known, and the result is disastrous.

The true principle is, to let the demand come from consumers. Any man who buys property of any kind for which he has no use, to sell again on a rise is a speculator. This "operating" in grain buying in Chicago or Buffalo or Oswego and shipping to New York, "drawing" against it and paying with other peoples' money, or buying in store and "holding," is as surely gambling as staking the money on cards. And these "operators"

are unworthy the name of merchants, being ignorant of the first principles of their profession.

The mainspring of all this "operating" and illegitimate business is the paper currency system. If we are to have paper money at all, which in ordinary times is not necessary, except to a very limited extent, it is evidently not the business of banks of discount to furnish it. It induces them to take too large risks by giving them inordinate profits, and it induces false ideas of wealth by flooding the country with fictitious value which passes for real. The only rational and safe currency would be one where a central point of issue and redemption existed, that the facts of circulation may be definitely known at one point for the whole country, thus guarding against excessive issues. This should be done by government, and the furnishing of paper money made an entirely separate thing from banking, the principle being recognized also that gold occupies a place in the commercial world which cannot be usurped without endangering the whole fabric of trade. This we are taught by the "panics" which always occur when this vital principle is ignored. But even experience fails to teach us. A speculator is never taught by his failure. It is never his fault, but may always be attributed to some extraordinary combination of circumstances. The gambler is always sanguine of making up his losses in the same old way. It is thus with the advocates of paper currency and inflated credit, they fear that business may be restricted. It needs to be restricted; it will be all the healthier. Which is the stronger, the plant forced to an artificial growth in a hothouse, or that which slowly and surely gathers to itself strength from the more sterile soil and colder air of nature?

American society is a hothouse. It forces our business to overgrown proportions, with no real strength; it forces our men into (tobacco) smoke-dried dyspeptics, while they should be still vigorous, and it forces our girls into used-up belles, before they are out of their "teens." Conservatism is the element which we now need. We are like an overgrown schoolboy: weak in the joints and chests, and lacking muscle. We need to stop growing and to fill in and build up.

In this duty the business of the country should lead the way. Too often the merchant is a man of one idea. He can grow eloquent on the price of New York Central or of corn, but will not attempt to understand the science of trade. Hence he is often faulty in his own judgment, mistaking recklessness for "business talent," and prudence for "fogyism." The merchant should be as highly educated a man as a member of any of the so called "learned professions," and the interests of his pursuits are certainly important enough to demand it. The true farmer is not simply the man who plods behind the plow, but it is he who understands the chemistry of the soil and its productions, the laws of nature and their relations to his trade. So the merchant should be the man of liberal education, versed in the *science* of his profession.

It has been truly remarked that a large proportion of business failures may be attributed to ignorance of bookkeeping and the science of accounts. And the number of merchants who are entirely dependant upon employes in this respect, and who are incapable of pursuing any sort of system of themselves, is very great. The "Revelations of a Stock Broker" show that some of the heaviest bank failures in this country are attributable to the gross ignorance and want of system of bank officers.

The fact is, business in this country is a sort of scramble in which the



first is the best. Principles and rules are ignored. The wealthy men of to-day are the beggars of to-morrow; there is no stability in either men or fortunes.

Extravagance rules in business as in living. We cannot wait to increase our business with our capital. If we have \$20,000, we stretch our credit to its utmost; we do as much business as \$50,000 or \$100,000 would warrant; our interest account eats us up. A few losses from a few reckless borrowers like ourselves, a fall in the market, and we are insolvent. We stagger along under the load of interest on borrowed capital, our risks are enormous, but we must keep in the treadmill. This is the life of very many of our merchants.

The author of that ingenious work "*Le Monde tel qu'il Ser á*," is of the belief that in future centuries the world will be but a vast bazaar, where commerce is king and trade all engrossing. Let us hope that, in that event, the science of commercial economy, now in its infancy, may have been brought to perfection, and that its importance may be acknowledged and its study wide-spread. And may the first of its precepts adopted be this, taught by one of the soundest commercial writers of the country: "It ought not to be considered any part of the business of banks to issue paper currency." With the adoption of this principle, and the consequent restriction of credit; with educated merchants carefully trained to the science of business, competent to supervise the important interests that may be intrusted to them, we may yet hope to see commerce established on a firmer basis in this unstable country.

But so long as extravagance and recklessness rule, so long as credit is inflated, till like a soap bubble the least breath destroys it, just so long we will be convulsed with commercial revolutions, and panic and disaster will continue to visit us as a stern corrector of abuses.

BOSTON AND HER CONNECTIONS WITH THE WEST.

The citizens of Boston have recently been making exertions to increase their facilities of transportation with the Great West, and the *Shipping List*, in replying to it, says: "We are right glad to know that their efforts have been crowned with a measure of success. The negotiations which have been for some time in progress to effect a practical consolidation of the five lines of railroad, viz: The Lowell, Concord, Northern, Vermont Central and Ogdensburg, with the East Boston Freight Railroad, and thus with tide-water at East Boston, was consummated on the first of the present month, and the line is now in practical operation. The steamer *St. Lawrence*, which was launched at Ogdensburg some weeks since, commenced her trips between Ogdensburg and Prescott, on the 29th of June, thus connecting the lines of the road specified above with the Grand Trunk railway and transporting freight cars and passengers. The roads forming this line are making every effort by providing the best accommodations at low fares, to increase the business connections of Boston with the West. The Bostonians believe that this consolidated line is to have an important bearing upon the business interests of Boston, particularly if the merchants, by the establishment of lines of steamers and packets to Europe, will furnish an outlet for the flour, grain, and other produce which will find its way there.

FLAX;

ITS HISTORY, CULTURE, IMPORTATION, EXPORTATION, AND CONSUMPTION.

BY HON. JOHN TITUS, JUSTICE SUPREME COURT OF U. S.

THE present inadequacy and prospective uncertainty of the supply of cotton, have directed unusual attention to the cultivation of flax as a substitute for that valuable staple.

Knowledge of its culture and uses is probably much below its merits as a product, and to aid in supplying this deficiency we propose to examine—

First. The botanical classification of flax ; Second, its economical history ; Third, its culture and uses ; Fourth, its production, importation, exportation, and consumption by the people of the United States.

First. The botanical classification of flax is simple, its *order* being *linaceæ*, and the name of its *genus* *linum*. Its species, as already verified, are somewhat more than thirty. Of these, four are well known in our country, viz. : First, *Linum Usitatissimum* ; second, *Linum Virgineanum* ; third, *Linum Rigidum* ; fourth, *Linum Perenne*.

The second and third of these species are found in the various States of our country, and in Canada. The fourth is a native of the regions west of the Mississippi. It is perennial, as indicated by the name.

The *first*, *Linum Usitatissimum*, (*most common, most used*, as the name implies,) is cultivated over a large portion of the globe for seed, for fiber, or for both. It is the flax grown in our own country and in Europe ; and to this species we propose to confine our examination.

The application to flax of its *generic name*, *Linum*, is ascribed to the eminent Swedish botanist LINNÆUS. The term is from the Latin language, and signifies line or thread. It is expressive of the thread-like character of the stalk of flax, or use of its fiber in making thread.

The term *Linaceæ*, which expresses the *order* of *Linum* or flax, is attributed to the distinguished Swiss botanist DE CAUDOLLE. This term means *flax-like*, and it comprehends every plant having *orderly resemblances* to flax.

It may here be added that the *California flax*, as described by Mr. J. NORRIS, of Windsor, Ashtabula County, Ohio, "for profusion of seed and length of fiber," is probably superior to every other known species or variety. Its blossoms are described as white, and its seeds of a light green color. Little, however, seems to be known of the California flax. Its valuable qualities, as thus attested by Mr. NORRIS, certainly commend it to further examination and trial.

The *Linum Usitatissimum*, or common flax, is an annual plant. Its stem when thickly grown is from two to three or more feet high. It is round, smooth, slender, straight, slightly tapering, and single nearly its whole length—branching only near the top. When grown thinly, the stem is shorter, thicker, and more branching. The leaves grow alternately on the stem. They are small, lance-shaped, or tapering, at each end, and have three straight veins or fibers. The flowers are small and of a beau-

tiful blue color, and the capsules or seed bolls are globular or roundish, but rather pouted at the end opposite the stem. Each capsule is divided into ten cells, and contains so many solitary seeds.

The flaxseed, which is also called *linseed*, is oval, more or less flattened, smooth, and shining. Its color, externally, is light brownish, *not unlike mahogany*. Flaxseed is, however, sometimes white or lightish green. *Internally*, it is always white, or nearly so.

Second. *The economical history of flax* traces its use through the oldest mementos of the human race. Alluvial deposits of unnumbered centuries, the oldest monumental inscriptions, the tombs of departed dynasties, and the formation of the oldest of all written languages, with the Bible, attest the use of flax to have existed in domestic economy at the dawn of primitive manufactures. It is found in its raw state, as well as in the manufactured forms of thread, cordage, mats, etc., among the submerged ruins of the *lacustrian habitations* of Europe—habitations originally built on piles over lakes, as at Waugen, Robenhauson, Pleffikaw, and other places in Switzerland, and perhaps elsewhere, with the arms, tools domestic implements, and other remains of those who erected and occupied them. Among these remains is not found the slightest trace of any metal. The battle axe, the hatchet, the saw, the borer, and the knife, as well as other tools and implements always elsewhere made of metal, are here of stone. It is impossible to conceive a more primitive state of the arts than is here indicated, and yet flax is one of the most prominent materials. The alluvion of these submerged deposits, attests them to have been made from twenty to forty centuries before the Christian era. Truylon on *Lacustrian Habitations*, pages 43, 44, 283, 426, 451 ; Lubbock, *Natural History Reviewed*, January, 1862.

Flax was grown and manufactured in Egypt centuries before the exodus of the Children of Israel from that country. The various processes of its growth, preparation, and manufacture are indicated at Bennita in sculpture, made, as seems to be established, in the eighteenth century before the Christian era, during the reign of the *first* Osirtasen, one of the Pharaohs referred to in the Biblical history of Joseph. Wilkinson's *Ancient Egypt*, volume 3, pages 134, 135, 136, 137. Vol. 4, p. 21.

The Egyptian priests were required by the rules of their order to dress themselves in flaxen linen. Herodotus *passim*.

The Hebrew word *pisetah* is applied in the Bible to flax and its fabric, linen. Ex. 9 : 31, 39 : 5 ; Lev. 13 : 47 ; Josh. 2 : 6 ; Is. 43 : 3 ; Hos. 2 : 5. This word is derived from *pashath*, a Hebrew root, which means to beat, to pound, to hatchel, to weave—well known processes everywhere applied to flax, and which, probably, as things always suggest words, produced the one thus expressing these operations. The use of flax, in thus forming the oldest of all written languages, clearly shows its great antiquity.

The sacred habits of the Jewish priests were, by divine appointment, made wholly or partly of linen. The "curious girdle" of the "ephod," the "breast-plate of cunning work," and "the hems of the robe," the "coats," the "mitre," the "bonnets," etc., so prominent in the habiliments of the Aarvnie priesthood, were all made of fine trimmed linen. Ex. 39 : 5, 8, 24, 28, 29. The divine ordinance requiring this was addressed to the Jewish priests a little less than fifteen centuries before the Christian

era. A thousand years afterwards it was reaffirmed to the same priesthood in the order, "that when they enter in at the gates of the inner court, they shall be clothed with linen garments; and" that "no wool shall come upon them while they minister" there. Ez. 44: 17, 18. The linen habit is still worn by the priests of that remarkable people. So also the mummy cloth is invariably found to be made of linen. Herodotus passim; Wilkinson, volume 3, page 115; Ures Philosophy of Manufactures, page 95. The date of its adoption for this purpose will probably never be ascertained. It was certainly, however, very remote.

Third. *The culture and uses of flax* are nice and complex. It is grown for seed, for fiber, and for both together. The seed is extensively used in the arts and in medicine, while the fiber is used for thread, cordage, linen, laces, and other similar fabrics of every degree of fineness.

The culture must be adapted to the nature of the plant, the character of the soil, and the object of its production. The mode of culture for fiber differs from that for seed alone. The culture of flax for both seed and fiber is a medium between the other two.

"All plants," says Davy, "gain their nutriment either by their leaves from the air, or by their roots from the soil." The elementary substances of the plant must therefore be found in the soil and air. The portion of these elements furnished by the air are oxygen, hydrogen, carbon, and nitrogen—not simple, but in various forms of combination. The elementary substances furnished by the air to plants are uniform, or nearly so. Soils differ in their agricultural elements; and it is to these, therefore, that the attention of the flax-grower must be chiefly directed.

The fitness of our soil for its growth may be approximately determined by an analysis of both. As guides in the choice of soils, and as illustrative of the mode of treating fiber, we present some analysis of flax and the soils on which they were grown, by Dr. HODGES, Messrs. MAYER and BRAZIER, and by Sir ROBERT KANE.

A flax plant, selected for examination by Dr. HODGES from an experimental crop grown by him in Ireland, weighed 62.40 grains—its capsules, 22.50 grains.

The composition of the stem was per centum as follows:

	In the fresh plant.	In the dry plant.
Water.....	56.64	.....
Organic matters.....	41.97	96.89
Ash.....	1.39	3.11
Total.....	100.00	100.00

The "water," says Dr. HODGES, "in the straw of the plants, as sent to the steeping works, after fourteen days exposure to the air in frames," was "12.2 per cent," the "water in air dried capsules" was "11.84 per cent," the "weight of the air-dried flax produced in the experimental field" was "77.70 pounds."

COMPOSITION OF DR. HODGES' EXPERIMENTAL FLAX CROP.

One hundred parts of the ash, of the dry straw, and capsules, had, respectively, the following composition:

	Ash of straw.	Ash of capsules.
Potash.....	20.32	16.38
Soda.....	2.07	6.25
Chloride of sodium.....	9.27	12.98
Lime.....	19.88	13.95
Magnesia.....	4.05	3.91
Oxide of iron.....	2.83	0.38
Sulphuric acid.....	7.13	14.51
Phosphuric acid.....	10.24	23.26
Carbonic acid.....	10.72	6.37
Silica.....	12.80	0.67
Total.....	99.31	99.60

The proportion of nitrogen, it may be added, contained in the straw and capsules, was as follows:

1. In the straw dried at 212°..... 0.53 per cent.
2. In the capsules and bolls at 212°..... 1.24 “

The results of Dr. HODGES' experiments have been further illustrated by Mr. WILSON ascertaining the relative properties of the produce of flax, and also the distribution of the inorganic matters in them. The flax employed had been steeped in the ordinary way, and was found to contain 1.73 per cent of ash. Of this air-dried straw, 4,000 pounds were taken, which produced—

Of dried fiber.....	500 pounds.
Of fine tow.....	132 “
Of coarse tow.....	192 “

Of fiber in all..... 824 pounds.

These products contained—

In the dressed flax.....	448 pounds of ash.
In the fine tow.....	208 “ “
In the coarse tow.....	256 “ “

Or in the whole of the fiber only. 912 pounds of inorganic matter.

So that 59.08 pounds, which the crop had withdrawn from the soil, remained in the useless portion, while only 9.12 pounds were carried off in 824 pounds of the dressed fiber and tow. As the whole of the former could be easily returned to the soil, it thus appears that but a small portion of all the fertilizing matter of the crop would necessarily be withdrawn from it.

ANALYSIS OF THE FLAX PLANT BY MESSRS. MAYER AND BRAZIER IN THE
LABORATORY OF THE ROYAL COLLEGE OF CHEMISTRY.

The specimens of flax examined were from	Liveland.	Cowland.	Lethvania.	Estland.
Potash.....	43.42	37.44	36.61	25.70
Soda.....	.....	3.74	3.06	8.37
Lime.....	21.35	25.39	24.09	26.41
Magnesia.....	7.79	7.71	7.45	11.74
Sesquioxide of iron.....	1.15	1.13	1.04	1.02
Manganese.....	.....	trace.	.....	.....
Chloride of sodium.....	.....	1.94	3.75	1.67

The specimens of flax examined were from Llievand. Cowland. Lethvania. Estland.				
Chloride of potassium.....	1.31	.....	.....	.....
Phosphoric acid.....	10.94	8.31	14.30	15.47
Sulphuric acid.....	5.66	5.89	3.65	4.64
Silicie acid.....	8.38	8.45	6.05	4.98
	100.00	100.00	100.00	100.00

RESULTS OF THE ANALYSIS OF THE SOILS WHICH PRODUCED THIS FLAX.

The soils examined were from Llievand. Cowland. Lethvania. Estland.				
Potash.....	0.5011	0.3241	0.5466	0.3726
Soda.....	.....	0.1320	0.6452	0.0481
Lime.....	0.3751	0.7814	0.4980	0.7955
Magnesia.....	0.2006	0.1304	0.1805	0.3619
Sesquioxide of iron....	0.8076	2.3767	3.1900	2.0206
Alumina.....	1.1919	1.8731	2.1418	2.0102
Manganese.....	trace.	trace.	trace.	trace.
Chloride of sodium....	0.0455	0.0247	0.0421	0.0790
Sulphuric acid.....	0.1539	0.0880	0.1206	0.1618
Phosphoric acid.....	0.1399	0.6538	0.6805	0.1597
Organic matter.....	4.7176	4.0300	4.3442	4.8430
Insoluble residue deducting organic matter..	91.0634	88.4872	88.4724	88.2364
	100.1966	99.3016	99.6619	99.1087

The residue fused with carbonate of potash upon calculation yielded :

	Llievand.	Cowland.	Lethvania.	Estland.
Lime.....	trace.	1.8727	0.8778	2.0121
Alumina.....	11.6270	6.1145	2.2452	5.7549
Sesquioxide of iron....	trace.	trace.	trace.	trace.
Phosphoric acid.....	trace.	trace.	trace.	trace.
Silicie acid.....	79.3424	81.5000	85.0938	80.5776
	90.9694	92.6224	81.2168	88.3345

Some analysis of flax, from the parts indicated, present the following results, as stated by Sir ROBERT KANE before the Royal Dublin Society April 6, 1847 :

	Courtrai Hees-felt.	District. Escama-mes.	Antwerp Hamrue Zog.	district. Not named.	Holland.	Dublin.	Armagh.
Potash.....	9.69	30.42	26.67	28.62	21.35	11.78	6.60
Soda.....	24.16	none.	16.88	0.48	12.65	11.82	6.61
Lime.....	19.37	22.04	22.15	21.19	21.30	14.85	23.67
Magnesia.....	4.34	4.45	4.70	4.05	8.50	9.38	4.22
Sesquioxide of iron.....	5.65	2.03	1.81	2.53	2.74	9.88	14.10
Alumina.....	0.56	0.58	0.86	2.53	1.67	7.32	14.10
Manganese.....	trace.	trace.	trace.	2.53	1.67	7.32	1.12
Sulphuric acid.....	7.93	8.33	8.18	13.43	11.22	3.19	9.30
Phosphoric acid.....	14.10	15.78	10.66	12.19	12.82	13.05	7.39
Silicie acid.....	3.85	4.54	3.20	3.36	6.38	25.73	0.94
Chloride of sodium.....	10.34	11.63	5.49	14.15	6.57	2.90	26.15
	100.00	100.00	100.00	100.00	100.00	100.00	100.00

The following are the results of the analysis of the soils on which this flax was grown as shown by Sir ROBERT KANE as above stated :

	Heesfelt.	Escamaffes.	Hamrus Zog.	Not named.	Holland.
Potassa	0.160	0.123	0.068	0.151	0.583
Soda.....	0.298	0.146	0.110	0.206	0.306
Lime	0.357	0.227	0.481	0.366	3.043
Magnesia.....	0.202	0.153	0.140	0.142	0.105
Alumina	2.101	1.383	0.125	0.988	5.626
Sesquioxide of iron....	3.298	1.663	0.202	1.543	6.047
Manganese	trace.	trace.	trace.	trace.	trace.
Chloride of sodium....	0.017	0.030	0.067	0.009	0.023
Sulphuric acid	0.025	0.017	0.013	0.026	0.023
Phosphoric acid	0.021	0.152	0.064	0.193	0.159
Organic matter not driven off at 100° centigrade	3.123	2.341	4.209	3.672	5.481
Clay	14.920	9.289	5.760	4.400	17.081
Sand	75.080	84.065	86.797	88.885	60.947
	99.703	99.600	99.995	100.081	99.783

The differences in the quantities of similar elements as shown in the foregoing analysis, both in the flax and in the producing soils, mark the diversity of the conditions to which flax accommodates itself.

The quantity of clay or loam in any soil depends upon the amounts of its silica, alumina, lime, and magnesia in certain combinations. The abundance of these elements in the approved flax soils, whose analysis are above given, demonstrates, what experience has also shown, the adaptability of clay or loam to the production of flax. Thus the conclusions of science accord with those of experience.

A well drained and subsoiled loam or clay is found to be much the best adapted to the growth of flax. A soil of this description is also disposed to the moisture and temperature which are found so beneficial to the growth of flax.

Uniform moisture and temperature are not less beneficial in the atmosphere than in the soil for the growth of flax. And it is produced from the equator to remote latitudes both North and South, wherever these conditions of soil and climate are attainable. In tropical countries, as in Egypt and India, flax is grown during winter to avoid the heat and drought of other seasons. In countries of more temperate latitudes, flax is grown in spring and summer in order to realize the proper temperature and moisture. Intermediate countries require flax to be grown at the proper intervals.

The best flax fiber is produced by a uniform protracted growth, and the soil, climate, and tillage are the best which secure these conditions. For fiber alone, or for both seed and fiber, flax requires between three and four months in its growth; for seed alone somewhat less..

In the United States flax may be sown in March or in April, whenever the soil is first sufficiently dry and mellow. Everything being in proper condition, early sowing is much the best for flax, because it then avoids in its growth the heat and drought of the latter part of summer, which always damage the fiber. The most successful growers in the United States sow when the leaves are so far developed as to give the woods and forests a tinge of green. Abundant experience has established the value of this rule for all parts of the country.

The best soil, as already stated, for the growth is one of clay or loam. Any soil, however, in order to exert its full productive capacity must be properly subsoiled and drained. The best crops are rarely if ever produced from lea or fresh plowed grass. Flax ground should therefore have been fallowed or cropped the preceding year. It succeeds well, other conditions being favorable, after corn, oats, potatoes, or any other crop which leaves the ground loose and free. Care, however, should always be taken that the management of the preceding crop may not have been such as to render that of the flax liable to weeds, whose roots and seeds generally abound, as the consequence of bad treatment of any crop. Unless the roots and seeds of these be destroyed, they always spring up with the flax and require to be pulled, to the damage more or less of the crop. In all cases, therefore, when weeds are to be apprehended, either from some existing condition of the soil, or from some applied manure, it may be advisable to allow their roots and seeds time to begin their growth, and then destroy them with the plow or harrow, or both, before sowing the flax. This would postpone the sowing but little, and would avoid the damage to the crop which is done by pulling weeds during its growth, or the still greater one of allowing them to remain.

Flax ground should be rendered mellow before sowing. Soils differ much in the requirements of their treatment; but any soil which may have been fallowed or cropped the preceding season, should be plowed for flax from eight to eleven inches in depth as soon in the spring as sufficiently dry, and immediately harrowed and cross-harrowed. It should again be lightly plowed at once, or after sufficient time to permit weed seeds and roots to sprout before sowing. For breaking clods or softening a harsh soil the roller may always be used with advantage.

Before sowing flax the ground should be supplied with proper manure, unless already present. The best practice in flax growing is to take a soil sufficiently enriched by proper manures, which recent tillage has mixed and combined well with it. Weeds are thus avoided, and the gradual uniform growth of the flax best secured. In order, however, to facilitate the supply of any deficiency of manures in flax ground, we would state that sheep manure, well mixed with the soil in sufficient quantities, has been found of unfailing benefit. So, too, bird or fowl manure in moderate quantity, applied as a top-dressing, has been found of great efficiency. A top-dressing consisting, for an acre, of one bushel of salt, one bushel of finely ground plaster of Paris, and two bushels of unleached ashes, well mixed and sown broadcast, has also been found of the greatest value. Another excellent top-dressing for flax may be formed from muriate of potash, 30 pounds; chloride of sodium, (common salt,) 28 pounds; burnt plaster of Paris finely powdered, 34 pounds; bone dust, 54 pounds; sulphate of magnesia, (epsom salts,) 56 pounds. This quantity is sufficient for an acre, and it rarely fails to produce an excellent crop. Indeed, chemical researches show that this preparation restores to the land what the flax crop takes away, and leaves it in the same condition as before its growth. The cost of this preparation would nowhere much exceed \$3. Flaxseed, oil cake, and the steep water of fermented flax yield rich manures. The fertilizing matter of the fiber of flax is but little, as already shown, and it is all that is necessarily withdrawn from the soil in its production. The fertilizing matter of the boon or shives of the steep water, and of the seed of flax obtained by feeding it or its equivalent of oil cake

on the farm, carefully applied, would thus return to the soil nearly all the productive power drawn from it by the entire crop.

The ground having been well mellowed and smoothed, should be sown at the period indicated with full, ripe, healthy seed. For fiber and seed, all conditions being favorable, the quantity of seed sown should not be more than two bushels per acre. A soil rich and in perfect order requires less seed than any other.

For seed alone, exclusive of fiber, half the quantity, or about one bushel to the acre is found sufficient.

The seed being covered with a light harrow to the depth of not more than one inch, successful flax-growers generally finish the sowing process with the roller. In Ireland, Belgium, Holland, and perhaps some other countries on the continent of Europe, three and even four bushels of seed are sown to the acre for fiber alone, with a diminution of a third or a fourth for both seed and fiber. So much seed would, however, result in an entire failure of the crop in our country. If the ground be inadequately subsoiled or drained, rough or imperfectly mellowed, or the seed be covered too deeply, more of it will be required. The best soil and most approved mode of culture are given above. It will, however, bear as wide a departure from these recommendations, such as in employment of inferior soils, insufficient labor, and imperfect culture as any of the ordinary crops. Any soil which will grow wheat, corn, oats, or potatoes will produce flax with at least equal advantage, other conditions being similar.

After being sown, and during growth, the crop is susceptible of but little treatment beyond an approved top-dressing, where the condition of the soil renders it necessary watering, and the eradication of weeds by pulling them with the hand. The top-dressings most approved are already stated. In cases of severe drought, after the flax plants have attained a few inches in height, and before fully shading the ground, the crop may be watered with much advantage. A regular water cart will moisten sufficiently an acre of flax per day. If weeds invade the flax crop they should be pulled by hand as soon as this can be conveniently done. The best time for this is in the sunshine, when the ground and plants are both dry. The few flax plants which may be prostrated in the work, entirely recover the succeeding night. Useless tramping, which always hardens the soil, is however to be avoided.

Flax grown for fiber, or both seed and fiber, should be harvested before perfect ripeness, *when the lower parts of the stalks and their leaves begin to turn yellow*. Always at this stage the flax plants have received from the soil the full measure of their nutriment, and when harvested therefore at this period in its growth the fiber is found to be much improved, and the seed not sensibly deteriorated. When, however, the plant is cultivated for seed alone, the flax should probably be left to ripen fully before being harvested, if it is to be used for sowing. For the latter purpose the thinner portions of the crop, and which are always found where the drainage is least perfect, should be allowed fully to mature. Of such, the fiber is invariably inferior and the seed abundant and excellent. Great care and attention should be paid to the seed sowing. If left too long unchanged flaxseed loses its vital power and produces an inferior plant. Rye seed, grown of course in the north of Europe, produces an abundance of excellent fiber in all the flax growing countries of that continent. In the

United States it has been found equally valuable—yielding much good fiber, as well as seed, which retains its vitality for a long time. For the growth of flaxseed exclusively, that of India as well as some other Eastern countries succeeds well generally, and is found equally valuable in our own country.

Careful flax-growers avoid sowing flax immediately after a crop of the same plant. Its failure, thus sown, is attributed to the withdrawal from the soil of some element necessary to the production of flax, or the deposit of some substance deleterious to it by the preceding crop which it requires several years to correct. The following is recommended as a judicious rotation for flax-growing, by a gentleman of much experience in its production, viz. : “1. Oats after the grass or clover; 2. Flax immediately followed by rape manured with two cwt. of guano and two cwt. of plaster of Paris; 3. Potatoes or turnips well manured; 4. Wheat sown in the spring with clover and rye-grass; 5. Hay and clover; 6. Grazing; 7. Oats; 8. Flax and winter vetches, (plants of the pea or bean family;) guano as before stated; 9. Turnips well manured; 10. Barley sown with rye grass and clover; 11. Clover and hay; 12. Grazing; 13. Oats should follow a potato crop. Except on very poor soils a better crop of flax will be produced after grain than grass. If an old lea (grass ground) be broken up and potatoes planted, followed by a grain crop, a very fine one of flax may be obtained in the ensuing year.” Flax leaves in the steep water in which it has been retted, or in the soil on which it is spread for the purpose, is a fertilizing element beneficial to every other crop, but said to be injurious to its own growth till corrected by timely rotation.

Particular soils, as well as whole regions of greater or less extent, are sometimes found to possess local susceptibilities not yet explained, requiring modifications in the culture of flax, as well as other crops, which it requires constant observation and judgment to supply.

It may here be stated, as a physical law applicable to flax, as well as to all other vegetable productions, that *the more uniform and protracted the growth, the less is the exhaustion of the soil by the extraction from it of any given amount of fertilizing matter.* A similar law applies to all animals, the vital powers of which are so much exhausted by spasmodic muscular efforts.

In harvesting flax it is pulled with the roots or cut as near the ground as practicable. For fiber alone, or with the seed, flax is usually pulled by hand and bound in small sheaves so as to be easily manageable in the subsequent processes. By this method the whole fiber is saved, weeds and foreign matter easily excluded, and plants of similar length kept together. An efficient hand can pull from a third to half an acre of flax per day, and bind the straw in sheaves of suitable size. It is cut by hand or with machinery. The common grain cradle, or one made for the purpose, is generally used for hand cutting. If a high stump or stubble is left in cutting some of the strongest fiber is inevitably lost. Machinery, however, might easily be devised which would pull flax or cut it so closely as to save all the fiber, much more rapidly and cheaply than it can be done by hand. J. H. BENNETT, on the 23d January, 1854, received letters patent for a flax pulling machine, in which he claimed as his invention, “grasping the flax standing, for the purpose of pulling it between fingers or jaws, by means of the moveable part sliding in the clamps, and receiving its motion in the direction of the handles from the crank knob, by means of

a slot and pin or toggle joint, as fully described in the specification." This machine is reputed to work well. Another machine for pulling flax and hemp is now in preparation, which it is to be hoped will supply every remaining want. In 1855 letters patent were issued to J. L. HADEMAN for an improved machine for cutting hemp, wheat, flax, and other similar productions, claiming the side reel with its curved arms for sustaining and bringing the hemp (or other products) to the scythes or cutters, also cleaning shears, in connection with arms, supporting bars, and cutters before known. In April, 1858, J. B. McCORMICK obtained letters patent upon a machine for cutting hemp, flax, and other similar products, claiming a "separator" formed of bars and rods, in "combination with an adjustable rod" and "bars, seat and reel provided with concave beaters, constructed, arranged, and operated as described" in the patentee's specification. These machines are reported to have given satisfaction. Improvements, however, in machinery for harvesting flax and hemp strongly commend themselves to the inventive genius of the country.

After harvesting, the next process in the management of flax is to secure the seed. This is sometimes done at the time of harvesting, and before the seed bolls are fully dry. It is doubtless, however, better to permit them to become perfectly dry before separation from the stalks. Deterioration is thus prevented. As soon as dry, the seed bolls or capsules should be separated from the rest of the crop. Labor and material are thus both saved, for the seed forms much of the weight of the flax crop, and more or less of it is lost by delay in the separation. Separation of the seed from the stalks of flax is effected by beating, thrashing, rippling, or pressure.

The oldest way of separation is by beating the seed ends of the small sheaves of flax on some fixture until the bolls are separated from the stalks and more or less broken. This is a slow method, and impracticable in the management of large quantities of flax. Another process of separation is by thrashing the seed ends of the flax.

This, if carelessly done, tangles it and renders the subsequent operations difficult. A third method is by rippings. The ripple is made of steel or other metallic teeth, of proper size and form, firmly inserted in a strong bench or other suitable fixture. The seed ends of the flax are drawn through the ripple till the bolls and consequently the seeds are all removed. This method is superior to either of the former. But the best method of freeing flax from the seed, is by passing it between revolving rollers, plane, toothed, or with corresponding grooves or variations, working, however, so closely as to crush the bolls and liberate the seed without breaking it or the woody matter of the stalks. This is the most effective and cheapest of all known methods, especially where the quantities are large. Chaff, dust, or any other foreign matter may be expelled by the usual processes for grain cleaning. The flax seed should be kept dry and cool till ready for the mill or the market.

The experience of two of our most successful flax-growers presents the following pecuniary results, which are here given to show the relative value of flax as a product:

First Example.—Average produce of flax per acre, viz: Fiber, 600 lbs., at 12 cents, \$72; seed, 20 bush. at \$1 12½, \$22 50—whole product, \$94 50. Average cost of crop, viz: Rent and taxes, \$6; operations on the soil, \$7 50; seed for sowing, \$2 50; sowing, 50 cents; manure, top-

dressing, \$3 50 ; harvesting and cleansing, \$30—whole cost of crop, \$50 ; profit of the crop per acre, \$44 50.

Second Example.—Average produce of flax per acre, viz : Fiber, 400 lbs., at 12 cents, \$50 ; seed 16 bush. at \$1 25, \$20—whole value of product, \$70. Average cost per acre, viz : Rent and taxes, \$4 ; operations on soil, \$6 50 ; seed for sowing, \$1 87½ ; sowing, 50 cents ; harvesting, etc., \$20—whole cost of crop, \$32 87½ ; whole profit, \$37 12½.

These pecuniary results show the flax crop to be one of the most valuable known to our agriculture, while at the same time, from data already given of the productive power extracted from and returned to the soil by flax, the conclusion may be regarded as established, that it is less exhaustive than any other of the valuable crops.

Flaxseed, in its dry state, contains 11.265 per cent of oil, 0.146 of wax, 2.458 of soft resin, 9.550 of a coloring resinous matter, 0.926 of a yellowish substance analogous to tannin, 6.154 of gum, 15.12 of vegetable mucilage, 1.48 of starch, 2.932 of gluten, 2.782 of albumen, 10.884 of saccharine matter, 44.382 of envelopes or outer covering, including some vegetable mucilage. It also contains a free acetic acid, some acetate, sulphate and muriate of potash, phosphate and sulphate of lime, phosphate of magnesia and silica. M. MURIN found in the mucilage, extracted by cold water from the coats of flaxseed, a very small proportion of an aleo extract, to which their peculiar odor is due. As might be expected from these constituents, *flaxseeds and their products are useful in the mechanical arts, for animal nutriment, and in medicine.*

Flaxseed oil, also called *linseed oil*, becomes dry and solid on exposure to the air. It is therefore much used in making printers' ink, in painting, and for similar purposes. Mixed with white lead, or a similar preparation of zinc, it forms a most durable white paint, for wood and walls. It is called a dry, or drying, oil because it becomes and remains dry and solid when exposed to the air. Linseed is obtained from flaxseed by cold pressure. For preparation on a large scale, the seed is roasted in order to destroy the gummy matter in the coating. The specific gravity of linseed oil is 0.932. It therefore floats on water, whose specific gravity is 1.000. Linseed oil boils at 600° of temperature, does not freeze at zero, and dissolves in forty parts of cold and in five parts of boiling alcohol, and also in one part and-a-half of ether.

Flaxseed also form a valuable nutriment for stock. The finest qualities of beef and mutton owe much of their excellence to its fattening qualities. It is fed to stock whole or ground. Oil cake, which is the solid residue remaining after the oil is expressed, is fed to stock with the best results. Rightly used, it is as healthy as it is fattening to cattle.

Linseed oil forms a valuable medicine, and as such is used in various ways, both externally and internally.

The separation and cleansing of the fiber of flax for spinning are among the most important operations connected with its whole economy, and their labor and expense constitute its principal cost as a material in manufactures. These operations are by no means perfect, and the improvement of them must depend upon the structure and nature of the plant itself. This structure, as shown in the stem of the plant, consists of a woody tube, or rather hollow cone, of slowly diminishing diameter in the inside, called boon or shives when broken, and the harl enclosing the former tube or cone, like an outer or larger one, containing the fiber in par-

allel filaments. Over all these is an outer covering or cuticle. The filaments of flax have probably not yet been reduced to their elementary divisions, nor has the probable length of these divisions been ascertained. M. ALCAN, in his "Essay on Textile Industry and Trades," (introduction, page 9th,) states the average height of flax plants at from seventy hundredths to eighty hundredths of the French metre, which is equal to from thirty to thirty-one of our inches. The proportion of the length of the fiber or filament to the height of the plant seems not to have been determined. The same author, from careful microscopic investigations, seems to have found the filaments of flax to be vascular tubes, with close, jointed, cylindrical interstices, open however at the extremities. These tubes, says he, are united by a gummy matter, which dissolves by fermentations. M. ALCAN found the filaments of flax to be from the forty-fifth to the fifty-fifth of a millimetre, or from the seven-thousandth to the eight-thousandth part of an inch in diameter—about double the size of the filaments of fine cotton, as shown by the same author.

The elementary divisions of the filaments of flax are sometimes said to be "shingled on" or "spliced to" each other. This is, however, evidently erroneous, for there are no such forms of vegetable union in nature, nor could they be developed by any known law of vegetable growth. These filaments will probably be found to be a series of very pure hollow truncated cones, or minute open serules, diminishing in size from the bottom to the top, and inserted into each other. This would seem to be established by the fact that the fibrous bundles increase in size towards the root of the plant. The ratancane and the cane of our Southwestern brakes is an enlarged prototype of these forms. This form of union is the inevitable result of a universal law of vegetable growth.

The dry rough stems of flax, stripped of their seeds, contain from 77 to 80 per cent of boon, and from 20 to 23 per cent of harl. Of this harl an average of 8 per cent is fine flax fiber. The chemical constituents have been previously stated somewhat at large. In addition to those statements, it may here be added that the harl of flax contains 25 per cent of a substance soluble in water, apparently extractive matter and albumen, and 17 per cent of a substance insoluble in water, being chiefly gluten. It is to this latter substance—the gluten in the fiber of flax—that the difficulty of preparing it for manufacture is chiefly due. Some marked sensible changes, to which the fiber of flax is subject, are due also to the presence of albumen. Gluten is the gray, tough substance of wheat flour, and may be obtained pure, or nearly so, by kneading the paste under running water till all the starch is expelled. Albumen is found nearly pure in the white of eggs, as well as abundantly in vegetables. The gluten is insoluble in water, and the cohesion which it gives to the fiber of flax is so considerable that the separation of its filaments by blows, pressure, rubbing, or any of the ordinary mechanical means, may be attended with much labor and loss of fiber.

Two different classes of methods have been adopted to prepare flax fiber for spinning: the one, *chemical*, which expels or destroys the gluten, and the other, *mechanical*, which prepares the fiber with the gluten present. In the former of these classes certain *chemical agencies* are employed which destroys the cohesive power of the gluten. The effect of these agencies is a species of fermentation to which the flax stalks are exposed. It is called retting, which is but another name for rotting, because it is always attended with more or less of putrefaction.

The processes of retting are threefold ; first, *dew-retting*, in which the natural agencies of air, light, dew, rain, etc., are employed ; second, *water-retting*, in which water is used at any desirable temperature ; third, *mixed retting*, in which both the other processes are combined.

Dew-retting is the old way of dissolving the cohesive substance which attaches the harl to the boon, and the filaments of the fiber to each other. In this process the flax is thinly spread on closely-mown grass or meadow land, but never on the bare ground, and turned over from time to time, until the stems, on being rubbed together between the fingers, show that the harl is ready to separate from the boon, and filaments of the fiber from each other. The time required for dew-retting is from two to eight weeks, according to the state of the weather. The result is always hastened by warmth and moisture, and retarded by the opposite conditions of cool and dry. It is always complete when the filaments are separable as above-stated.

Water-retting is accomplished by macerating or soaking the flax in water of a moderate temperature after the seeds have been taken off. Fermentation soon begins by the disengagement of carbonic acid gas and the production of vinegar, as evinced by the odor and the dingy infusion of the water. If the flax be taken from the water at the end of a few days, the fiber will be found easily separable from the boon, and its filaments from each other, by rubbing as in the case of dew-retting. The whole mass ought then to be withdrawn without delay. The water by longer steeping ceases to be acid, and an odor like that of rotten flax is at once produced—a proof that putrefaction has attacked the fiber, and that longer steeping will weaken and turn it brown. Water-retting, if judiciously managed, always terminates with the acetous fermentation, or the production of vinegar as stated. For this process the flax must be bound up in sheaves and placed in layers over each other, or upright with the roots downwards. When the retting is conducted in an open pond or stream, straw may be put below the flax to prevent its touching the ground, and boards may be put upon the sheaves to keep them entirely below the surface of the water, especially during the fermentation, which renders the flax buoyant and disposed to rise out of the fluid.

Flax loses its buoyancy and sinks at the end of the acetous fermentation—another indication that it ought to be withdrawn from the water immediately. Longer steeping always impairs the fiber. The time required varies from five to fourteen days, with the temperature of the water. It may be done in running water or in the still water of a tank or pond. Pure rain water is the best for still-water retting ; its digestive power is great, and it is free from coloring matter, which might stain the fiber. The steeping fluid, at the end of the process, is found to contain a substance both fertilizing to the soil and nutritive to cattle. By retting in a tank, therefore, this may be saved for valuable use. Yet the running water, for steeping, always leaves the fiber brighter and freer from coloring matter. Steep water, containing iron and some other mineral substances, should, however, always be avoided, as they stain the fiber, and every new supply of flax should be treated with pure fresh water. Judicious retting diminishes the weight of the flax, of an average quality, about thirty per cent, or nearly one-third. In excessive retting the diminution of the weight is greater, in proportion to the excess. The gluten which unites the filaments of flax fiber to each other probably preserves

them until it is expelled or destroyed. The danger of damage to the fiber is thus diminished while the gluten remains in its natural state. Flax fabrics not freed from the gluten and albumen emit an offensive smell when exposed to heat, air, and moisture, and soon become entirely rotten. This, however, may be prevented by treating them with proper preservatives, as shown in another place. The fiber and its fabrics, when freed from the gluten and albumen, is almost imperishable if kept clean and dry. Thread, cordage, linen, and laces, of every degree of fineness, will bear wearing and washing in all its various processes, for months or even years, without becoming rotten till quite worn out.

Flax when withdrawn from the water is usually spread upon the grass or upon frames to dry. Sometimes, however, it is dried in close rooms by steam or otherwise.

It may be here stated, as an important practical rule applicable to the management of flax fiber in all its stages, *that the heat of an open flame or the dry heat of any strong fire, directly applied, always impairs it.* This is true whether the fiber be on the straw or separated from it. Dried, therefore, in the old way, on a frame over an open fire burning below, it is always damaged by the heat as well as discolored by the smoke.

As we stated above, both dew and water retting are combined in mixed retting. The flax is steeped in water for a longer or a shorter time, and is then spread on the grass, exposed to the air and light as well as the dew until the fiber yields to moderate rubbing, as already stated. The damage from excessive retting, which may result from steeping too long, is thus avoided, and the subsequent treatment is similar to that of flax retted in any other way.

These methods of preparing flax fiber are *chemical* in the simplest form, by which the straw of flax is submitted to the ordinary agents of nature, entirely unchanged by art.

Other processes of freeing the flax fiber are employed, in which the water is heated to any desirable temperature by art, or impregnated with chemical agents to effect the purpose intended, or both these operations are employed together.

The natives of India and other Eastern countries have long been in the habit of bleaching muslins by boiling them in a ley of the carbonate of soda and then washing them in a solution of lime or lemon juice. In other parts, they boil the stalks of certain plants in a ley of wood ashes in order to facilitate the separation of the fibers. Similar methods have been employed in Europe. In the "Jury Report" of Class IV., by Prof. E. SALLY, for the exhibition of London in 1851, an account is given of the old German process, called "*Molkenrost*," sometimes employed in preparing the finer sorts of flax. The flax stems were steeped for four or five days in warm milk and water, until the desired degree of fermentation was produced. In the more modern process of bleaching linen, employed by the Dutch, the material was boiled in a weak solution of alkali, or in any weak alkaline ley, and subsequently treated with sour buttermilk. This method is similar in principle to that employed in Eastern countries, in which the acid of sour milk is, however, substituted for that of lime or lemon.

(To be continued.)

COMMERCIAL LAW. No. 5.

SALES OF PERSONAL PROPERTY AND STOPPAGE IN TRANSITU.

OF SALES WITH WARRANTY.

A SALE may be with warranty; and this may be general, or particular and limited. A general warranty does not extend to defects which are open to inspection and observation, unless the purchaser is at the time unable to discover them readily, and relies rather upon the knowledge and warranty of the seller. A warranty may also be either express or implied. It is *not* implied by the law generally merely from a full, or, as it is called, a sound price. The rule of law, *caveat emptor*, (*let the buyer take care*.) prevents this. But the usage of the trade will be considered, and if that require a declaration of certain defects whenever they exist, the absence of such declaration is a warranty against such defects. Mere declarations of opinion are not a warranty. Thus, in England, an action was brought on a warranty that certain goods were fit for the China market. The plaintiff produced a letter from the defendant, saying that he had goods fit for the China market, which he offered to sell cheap. But the court held that such a letter was not a warranty, but merely an invitation to trade, it not having any specific reference to the goods actually bought by the plaintiff.

If these declarations are intended to deceive, and have that effect, they may avoid the sale for fraud. And affirmations of quantity or quality, which are made pending the negotiations for sale, with a view to procure a sale, and have that effect, will be regarded as a warranty; thus, in New York, it was held that a representation made by a vendor, upon a sale of flour in barrels, that it was in quality superfine or extra-superfine, and worth a shilling a barrel more than common, coupled with the assurance to the buyer's agent that he might rely upon such representation, was a warranty of the quality of the flour. So in England, where upon the sale of a horse the vendor said to the vendee, "You may depend upon it, the horse is perfectly quiet and free from vice;" this was held to amount to an express warranty.

Goods sold by sample are warranted by such sale to conform to the sample; but there is no warranty that the sample is what it appears to be. Thus, in England, there was a sale of five bags of hops, with express warranty that the bulk answered the samples by which they were sold. The sale was in January; at that time the samples fairly answered to the commodity in bulk, and no defect was at that time perceptible to the buyer. In July following, every bag was found to have become unmerchantable and spoiled, by heating, caused probably by the hops having been fraudulently watered by the grower, or some other person, before they were purchased by the defendant. The defendant knew nothing of this fact at the time of sale, and the samples were as much damped as the rest; and it was then impossible to detect it. It was held by the

court that there was here no implied warranty that the bulk of the commodity was merchantable at time of sale, although a merchantable price was given.

It seems, according to the weight of authority, that a breach of warranty does not generally authorize the buyer to return the article sold, unless there be an agreement to that effect, or fraud; but only to sue on the warranty, and recover damages for the breach of it. But if one orders a thing for a special purpose known to the seller, he may certainly return it if unfit for that purpose, if he does so as soon as he ascertains its unfitness.

In this country, the seller of goods actually in his possession is generally held to warrant his own title by the fact of the sale. But if the property be not in the possession of the vendor, and there be no assertion of ownership by him, no implied warranty of title arises.

If a thing is ordered of a manufacturer for a special purpose, and is supplied, there is an implied warranty that it is fit for that purpose. In an English case, the defendant was a dealer in ropes, and represented himself to be a manufacturer of the article. The plaintiff, a wine-merchant, applied to him for a crane-rope. The defendant's foreman went to the plaintiff's premises, in order to ascertain the dimensions and kind of rope required. He examined the crane and the old rope, and took the necessary admeasurements, and was told that the new rope was wanted for the purpose of raising pipes of wine out of the cellar, and letting them down into the street; when he informed the plaintiff that a rope must be made on purpose. The defendant did not make the rope himself, but sent the order to his manufacturer, who employed a third person to make it. It was held that, as between the parties to the sale, the defendant was to be considered as the manufacturer, and that there was an implied warranty that the rope was a fit and proper one for the purpose for which it was ordered. And the seller was held responsible, not only for the rope, which broke, but for a pipe of wine which was thereby lost.

This principle must not be applied to those cases where an ascertained article is purchased, although it be intended for a special purpose. For if the thing itself is specifically selected and purchased, the purchaser takes upon himself the risk of its effecting its purpose. This is illustrated in an English case thus: "If a man says to another, 'Sell me a horse fit to carry me,' and the other sells a horse which he knows to be unfit to ride, he will be liable for the consequences; but if a man says, 'Sell me that gray horse to ride,' and the other sells it, knowing that the buyer will not be able to ride it, that would not make him liable."

It has been much discussed whether a bill of sale, describing the article sold, amounts to a warranty that the article conforms to the description. It seems now to be well settled that it does. In a recent Massachusetts case, there was a bill of sale as follows: "H. & Co. bought of T. W. & Co. *two cases of indigo*, \$272." The article sold was not indigo, but principally Prussian blue. No fraud was imputed to the seller, and the article was so prepared as to deceive experienced and skillful dealers in indigo. The naked question was presented, whether the bill of sale constituted a warranty that the article sold was *indigo*. And the court held that it did. Here the warranty implied by the bill of sale was as to the *kind of goods*. In another case the bill was, "Sold E. T. H. 2,000 gallons *prime quality winter oil*." The thing sold was oil, and winter oil; but not *prime*

quality. And the court held that the bill of sale amounted to a warranty that it was of *that quality.* In an English case, a vessel was advertised for sale as "copper fastened;" and this was held to be a warranty that she was so according to the usual understanding of merchants.

In Pennsylvania the courts consider a bill of sale as a warranty of the *kind* of goods, but not of their quality. Thus, where a bill of sale described the thing sold as "superior sweet-scented Kentucky leaf tobacco," the court held that all the warranty was satisfied if the tobacco was "Kentucky leaf tobacco," and would not permit the plaintiff to recover in an action on the warranty, although the tobacco was of low quality, ill-flavored, and not sweet-scented. But the rule in this country generally is the same as that in Massachusetts and England.

One who sells provisions is always considered in law as warranting that they are good and wholesome.

OF THE SALE OF ONE'S BUSINESS.

Such sales are not unfrequent in this country; and the seller always agrees and promises that he will not pursue that trade, business, or occupation again. There are numerous cases, both in English law-books and our own, which have arisen from bargains of this kind. The law seems now to be settled, that such a contract is wholly void and inoperative, *provided* the seller agrees to give up his business and never resume it again, *anywhere*, that is, without any limitation of space or time. But the contract is good, if for a fair consideration the seller agrees not to resume or carry on that business within a certain time, or within certain limits. What these limits must be, is not certain. The courts say they must be "reasonable," and made in good faith. A contract not to carry on a business in a certain town would undoubtedly be good. So, we should say, would be a bargain not to do so within a certain State. This may not be quite certain, although, in one case in Massachusetts, a contract not to use certain machines in any of the United States except *two*, (which were Massachusetts and Rhode Island,) was held valid, all of the States but two being considered as a sufficiently defined or limited place; but this was unusual. We should expect that the courts generally would sanction such a bargain, if it were limited to only a part of the United States; as to all New England, for example.

In such a contract, it would be better for the parties to agree upon the amount which the seller should pay by way of damages, if he violated his bargain, because it might be very difficult to prove specific damages; and such a bargain, if it were reasonable, would be enforced by law. Such damages, agreed on beforehand, are called liquidated damages. Generally, it is the duty of the jury to determine, from the evidence before them, what damages an injured party has suffered, and what amount would indemnify him.

STOPPAGE IN TRANSITU.

Here is an instance where a Latin phrase has become English, by general adoption and use. *In transitu* means "in the transit," and the English phrase may just as well be used; but the Latin one is used much oftener. What the whole phrase *stoppage in transitu* means, is this. A seller, who has sent goods to a buyer at a distance, and after sending

them finds that the buyer is insolvent, may stop the goods at any time before they reach the buyer. His right to do this is called the right of stoppage *in transitu*.

The right exists only between a buyer and seller. A surety for the price of the goods, bound to pay for them if the buyer does not, has not this right. But one who is *substantially* a seller has; thus one ordered by a foreign correspondent to buy goods for him, and then buying them in his own name and on his own credit, and sending them as ordered, may stop them *in transitu*. So may a principal who sends goods to his factor, or one who remits money for any particular purpose. The fact that the accounts are unsettled between the parties, and the balance uncertain, does not defeat the right; nor does the reception and negotiation of a bill for the goods, or actual part payment.

If the goods are sent to pay a precedent and existing debt, they are not subject to this right.

The right exists only upon actual insolvency; but this need not be formal insolvency, or bankruptcy at law; an actual inability to pay one's debts in the usual way being enough. If the seller, in good faith, stops the goods, in a belief of the buyer's insolvency, the buyer may at once defeat this stoppage, and reclaim the goods, by payment of the price. So he may, we think, by a tender of adequate security, if the sale be on credit. And if the sale be on credit without security, by agreement, then the seller can stop the goods and demand security only for actual and sufficient cause, and takes this risk on himself.

The stoppage must be effected by the seller, and evidenced by some act; but it is not necessary that he should take actual possession of the goods. If he gives a distinct notice to the party in possession, whether carrier, warehouseman, middleman, or whoever else, before the goods reach the buyer, this is enough. But a notice of stoppage *in transitu*, to be effectual, must be given either to the person who has the immediate custody of the goods; or if to the principal whose servant has the custody, then at such a time, and under such circumstances, as that he may, by the exercise of reasonable diligence, communicate it to his servant in time to prevent the delivery to the consignee. Therefore, where timber was sent from Quebec, to be delivered at Port Fleetwood in Lancashire, England, a notice of stoppage given to the shipowner at Montrose, while the goods were on their voyage, whereupon he sent a letter to await the arrival of the captain at Fleetwood, directing him to deliver the cargo to the agents of the vendor, was held not to be a sufficient notice of stoppage *in transitu*.

They can be stopped only while *in transitu*; and they are in transit only until they come into the possession of the buyer. But this possession need not be actual, a constructive possession by the buyer being sufficient; as by being placed on the wharf of the buyer, or on a neighboring wharf with notice to him; or in a warehouse with delivery of the key to him, or of an order on the warehouseman. Thus, where goods were shipped at Troy, New York, directed to the purchaser at Vergennes, Vermont, and were landed upon the wharf at Vergennes, half a mile from the purchaser's place of business. The purchaser's goods were usually landed at the same place, and it was not customary for the wharfinger, or the carrier, or any one for them, to have any care of the goods after they were landed; but the consignee was accustomed to transport

the goods from the wharf to his place of business; as was also the custom with other persons having goods landed there. The goods, while on the wharf, were not subject to any lien for freight or charges. It was held that a delivery on the wharf was a constructive delivery to the vendee, and that the right of stoppage was gone when the goods were landed. But the entry of the goods at the custom-house, without payment of duties, does not terminate the transit. If the buyer has demanded and marked them at the inn where they had arrived on the termination of the voyage or journey, personally or by his agent; or if the carrier still hold goods, but only as the agent of the buyer; in all these cases the transit is ended. But if the carrier holds them by a lien for his charges against the buyer, the seller may pay these charges and discharge the lien, and then stop the goods *in transitu*. And the master of a ship, which the buyer hires or owns, may be a carrier, in whose hands the seller may stop the goods, if they are to be delivered finally to the buyer himself; but if they have been put on board the buyer's ship, to be transported, not to him, but by his order to another place, they will never be any more in his possession than they are when first put on board; and therefore they are so far in his possession, as soon as on board, that there can be no stoppage *in transitu*.

If the buyer has, in good faith and for value, sold the goods, before he has received them, and in expectation of their arrival, and indorsed and delivered the bill of lading, this second purchaser holds the goods free from the first seller's right to stop them. But if the goods and bill are transferred only as security for a debt due from the first purchaser to the transferee, the original seller may stop the goods, and hold them subject to this security, and need pay only the specific advances made on their credit, or on that very bill of lading, and not a general indebtedness of the first purchaser to the second.

A seller who stops the goods *in transitu* does not rescind the sale, but holds the goods as the *property* of the buyer; and they may be redeemed by the buyer or his representatives, by paying the price for which they are a security; and if not redeemed, they become absolutely the seller's, in the same way as a pledge might become his; and if he fails to obtain from them the full price due, he has a claim for the balance upon the buyer.

The exercise of this right is necessarily adverse to the buyer; for if the goods are taken by the seller, by agreement with the buyer, it is no longer a stoppage *in transitu*. An honest buyer, apprehending bankruptcy, might wish to return the goods to their original owner; and this he could undoubtedly do, if they have not become distinctly his property, and the seller his creditor for the price. But if they have, the buyer has no more right to benefit this creditor by such an appropriation of these goods, than any other creditor by giving him any other goods.

It has been questioned whether, when goods sold are sent by the seller to the buyer by any regular and usual conveyance, the vendee may go forward to meet them, and take possession of them before the time of their regular delivery, and thus abridge, by his own act, the right of stoppage of the seller. But it seems that he may do this, and that the right of stoppage *in transitu* is terminated by the buyer's thus taking possession of the goods.

OF GUARANTY.

A guarantor is one who is bound to another for the fulfilment of a promise, or of an engagement, made by a third party. This kind of contract is very common. Generally, it is not negotiable; that is, not transferable so as to be enforced by the transferee in his own name. But no special form or words are necessary to the contract of guaranty; and if the word "guarantee" be used, and the whole instrument contains all the characteristics of a note of hand, payable to order or bearer, then it is negotiable. Thus, in a case in New York, the instrument was as follows: "For and in consideration of thirty-one dollars and fifty cents received of B. F. SPENCER, I hereby guarantee the payment and collection of the within note to him or *bearer*. Auburn, September 25, 1837. (Signed) THOMAS BURNS." And it was held negotiable.

The guaranty may be enforced, although the original debt cannot; as, for example, the guaranty of the promise of a wife or an infant; and sometimes the guaranty of a debt is requested, and given, for the very reason that the debt is not enforceable at law. But, generally, the liability of the principal measures and limits the liability of the guarantor. And if the creditor agree that the principal debt shall be reduced or lessened in a certain proportion, the guaranty is reduced in an equal proportion, especially if the guarantor be a party to the arrangement.

A contract of guaranty is construed somewhat strictly. Thus, a guaranty of the notes of one, does not extend to notes which he gives jointly with another.

A guarantor who pays the debt of the principal may demand from his creditor the securities he holds, although not, perhaps, an assignment of the debt itself, or of the note or bond which declares the debt, for that is paid and discharged. And in a court of equity the creditor will be restrained from resorting to the guarantor, until he has collected as much as he can from these securities.

Unless the guaranty is by a sealed instrument, there must be a consideration to support it. If the original debt or obligation rest upon a good consideration, this will support the promise of guaranty, if this promise be simultaneous with or prior to the original debt. But if that debt or obligation be first incurred and completed, before the guaranty is given, there must be a new consideration for this promise to guarantee that debt. But the consideration need not pass from him who receives the guaranty to him who gives it. Any benefit to him for whom the guaranty is given, or any injury to him who receives it, is a sufficient consideration if the guaranty be given because of it.

In general, if there be a new and independent consideration for the guaranty passing between the parties to it, this will make it an original promise, and not a promise to pay the debt of another; and will therefore protect it from the Statute of Frauds, of which important statute we shall speak more particularly in the next article.

A guaranty is not binding unless it is accepted, and unless the guarantor has knowledge of this. But the law presumes this acceptance in general, when the giving of the guaranty and an action on the faith of it, by the party to whom it is given, are simultaneous. In New York, wherever the guaranty is absolute, notice of its acceptance is unnecessary, unless expressly required. But, generally, an offer to guaranty a future

operation, especially if by letter, does not bind the offerer, unless he has such notice of the acceptance of his offer as would give him a reasonable opportunity of indemnifying himself.

If the liability of the principal be materially varied by the act of the party guarantied, without the consent of the guarantor, the guarantor is discharged. Many interesting cases have arisen, which involve this question. Thus, where a bond was given conditioned for the faithful performance of the duties of the office of deputy collector of direct taxes for eight certain townships, and the instrument of appointment, referred to in the bond, was afterwards altered, so as to extend to another township, without the consent of the surety, the Supreme Court of the United States held that the surety was discharged from his responsibility for moneys collected by his principal after the alteration. Again, in an English case, the facts were, that, in a bond by sureties for the careful attention to business and the faithful discharge of the duties of an agent of a bank, it was provided "that he should have no other business of any kind, nor be connected in any shape with any trade, manufacture, or mercantile copartnery, nor be agent of any individual or copartnery in any manner or way whatsoever, nor be security for any individual or copartnery in any manner or way whatsoever." The bank subsequently, without the knowledge of the sureties, increased the salary of the agent, he undertaking to bear one-fourth part of all losses which might be incurred by his discounts. The House of Lords held, affirming the decision of a majority of the court below, that this was such an alteration of the contract, and of the liability of the agent, that the sureties were discharged, notwithstanding that the loss arose, not from discounts, but from improper conduct of the agent.

The guarantor is also discharged if the liability or obligation be renewed or extended by law. As if a bank, incorporated for twenty years, be renewed for ten more, and the officers and business of the bank go on without change; the original sureties of the cashier are not held beyond the first term. So a guaranty to a partnership is extinguished by a change among the members, although neither the name nor the business of the firm be changed. But a guaranty, by express terms, may be made to continue over most changes of this kind.

A specific guaranty, for one transaction which is not yet exhausted, is not revocable. If it be a continuing or a general guaranty, it is revocable, unless an express agreement, founded on consideration, makes it otherwise.

A creditor may give his debtor some accommodation or indulgence, without thereby discharging his guarantor. It would seem just, however, that he should not be permitted to give him any indulgence which would materially prejudice the guarantor. Generally, a guarantor may always pay a debt, and so acquire at once the right of proceeding against the party whose debt he has paid. On this ground, it has been held that, where a surety requested the creditor to proceed against the principal debtor, and the creditor refused to do this, and afterwards the debtor became insolvent and the surety was without indemnity, still, the surety (or guarantor) was not discharged, because he might have paid the debt, and then sued the party whose debt he paid. In New York, it seems indeed to be the law, that, if the surety requests the creditor to proceed against the principal debtor, and he refuses, and the principal debtor afterwards

becomes insolvent, the surety will be discharged. But this rule has not been established there without much opposition; and can hardly be said, even now, to be certain. But if, by gross negligence, the creditor has lost his debt, and has deprived the surety of security or indemnity, we should say that the surety must be discharged, unless he was equally negligent. If a creditor gives time to his debtor, by a binding agreement which will prevent a suit in the meantime, this undoubtedly discharges the guarantor, because it deprives him of his power of acquiring a right of proceeding against the debtor, by paying the debt; for the debtor cannot be sued.

If there be a failure on the part of the principal, and the guarantor is looked to, he should have reasonable notice of this. And, generally, any notice would be reasonable which would be sufficient in fact to prevent his suffering from delay. And if there be no notice, and the guarantor has been unharmed thereby, he is not discharged.

If a guaranty purport to be official, that is, if it be made by one who claims to hold a certain office, and to give the promise of guaranty only as such officer, and not personally, the general rule is, that he is not liable personally, provided he actually held that office and had a right to give the guaranty officially. But he would still be held personally, if the promise made, or the relations of the parties, indicated that credit was given personally to the parties promising, and not merely to them in their official capacity.

A guaranty was given for the price of a cargo of iron; and the buyer bargained with the seller to pay him more than the fair price, the excess to go towards an old debt. The guaranty was held to be altogether void, because fraudulent; and was not enforced even for the fair price.

AREA AND POPULATION OF MEXICO.

Mexico is made up of twenty-one States, three Territories and one federal district, the names, areas, and populations of which were, in 1850, as follows:

	Square miles.	Populat'n.		Square miles.	Populat'n.
Chiapas.....	16,680	144,070	Sinaloa.....	33,721	160,000
Chihuahua.....	97,015	147,600	Sonora.....	188,467	139,474
Coahuila.....	56,571	75,840	Tabasco.....	15,609	68,508
Durango.....	48,489	162,218	Tamaulipas.....	30,445	100,064
Guajuato.....	12,618	713,583	Vera Cruz.....	27,595	264,725
Guerrero.....	82,008	270,000	Yucaton.....	52,947	680,948
Jalisco.....	48,590	774,461	Zacatecas.....	30,507	358,024
Mexico.....	19,535	973,637	Tlaxcala (Territory) ..	1,984	80,171
Michoacan.....	22,993	491,679	Colima (do.) ..	3,020	68,243
Nuevo Leon.....	16,688	133,861	Lower California (do.)	60,662	10,000
Cajacca.....	31,823	525,101	Federal district.....	90	200,000
Puebla.....	13,043	580,000			
Queretaro.....	2,445	184,161			
San Luis Potosi....	29,486	368,120	Total.....	829,916	7,661,520

SHIP CANALS AND RAILROADS.

THE IMPORTANCE OF ANOTHER RAILROAD CONNECTION WITH THE WEST.

It is, we believe, more than twenty-five years since, in making a comparison between canals and railways, we took the ground in *Hunt's Magazine* and other New York papers, "that railways were the better improvement of the age, and destined eventually to supersede canals, except in the case of the unique Erie." We were then advocating the construction of a railway from the Harlem Railroad to Albany, and were ridiculed for our pains, particularly in a lengthy report now before us, which emanated from a committee appointed by the Chamber of Commerce of New York, composed of those eminent and intelligent merchants in their days—Messrs. JAMES G. KING, N. WEED, and SIMEON BALDWIN. This report is now a curiosity, and reduced to short meter, arrives at the conclusion, "that as we had the Housatonic Railroad—through Connecticut and Massachusetts to Albany—for *winter* travel, and the noble Hudson for *summer* travel, we did not want a railway from New York to Albany." A *freight railway*, or one to carry freight, was not thought of. It was only a few years after, however, that the completion of the Western Railroad from Boston to Albany awoke our Rip Van Winkles, and led New York to project the Hudson River Road on the margin of the river, and the Harlem Railroad to Albany—two roads where we were ridiculed for proposing one a short time previous.

In the July number of *Hunt's Merchants' Magazine*, it is clearly shown by facts and figures, well applied, that our canals, as we predicted would be the case, are being superseded by our railroads, and that we do not now want a ship canal from the Mississippi to New York, by lakes Michigan, Erie, and Ontario, either for commerce or for defence. Such an undertaking might give some politicians fat jobs, but it will damage us greatly, by breaking up our Erie and Oswego canals just as we have got them finished, and are preparing with large boats for a navigation of seven feet by seventy, although we think a depth of even six feet (which it now is) will about use up all the water we can get into the canal on the *long level* at Rome in dry times.

But our object in writing at the present time was mainly to call the attention of New Yorkers, and, we will admit, to crow a little over the fulfillment of our former predictions, to the necessity of another railroad connection with the West, our present routes being overworked. For instance, look at the business done over the Pennsylvania Railroad, (their Central,) as appears by facts given in June number, page 499. This road is 365 miles long, (of which 318 miles is a double track,) cost \$21,806,852, on which they took in gross receipts from business done over it last year, \$10,143,738, being nearly 50 per cent of its cost! This immense business was done at a total expense of \$3,833,345 for operating the road, or say 38 per cent of its gross receipts. These receipts were about double the tolls the State of New York received during the year 1862, on all her canals. This is a startling exhibit of what railways can do, and shows what powerful industrial machines they are when well located and well managed. The P. and Reading Railroad took from 1843 to 1859 \$36,935,118, and the expenses were

\$15,792,911. Nett receipts in fifteen years \$21,142,277. Now the Pennsylvania Railroad has, we believe, 40 feet grades, and yet has done this immense business.

The receipts over the New York and Erie were about half this sum; so were the receipts of the New York Central, if we recollect rightly. The Erie has grades of 65 feet to the mile, the measure of its capacity, and the Central has 75 feet at its eastern terminus. The Rome and Watertown Railroad has 42 feet to the mile. It will soon be impossible for the Central Railroad to carry its freight. When the Oswego branch is finished it will have more than it can do. Under these circumstances, it is the duty of the merchants of New York, as well as those of the West, to look round them for another cheaper and shorter, if possible, channel than by Pennsylvania, or by the roads named to convey the tonnage from the West to the seaboard. As we have stated above, and as the article in your last number proved, no proposed ship canal can do it. We must look elsewhere for the route that will command the trade.

Chicago and the Western grain States already have the natural waters of lakes Michigan, Erie, and Ontario, and the admirable port at Oswego. We have now lines of railways from the West to Buffalo, and we can have a level and descending grade and line from that place to the county of Oswego. Here, the waters of Little Salmon Creek, from its summit in Amboy, New Jersey, flow westward, and the Little River, heading in the same town and same farm, drains eastward over a summit that is only 250 feet above the mills at Oswego, and the road may thus strike Rome in a direct line, from which point we have the descending valley of the Mohawk from Little Falls to the Hudson. In this way, for this crowded part of the line, we can thus have a quadruple track that can defy competition by any State in the Union. It is a line which New York must see is for her interest to take immediate steps to have examined and constructed. It has been a favorite project with the writer for many years. Now, as the Erie and Central railroads have nearly all the business they can do, and so must be the case with the Pennsylvania Railroad, the merchants of Chicago, Milwaukee, and the West, according to the doctrine of the *Merchants' Magazine* for this month, should hold a *railroad convention* instead of a ship canal convention to perfect a line of railways from Buffalo, Rochester, and Troy, as the best and *most profitable* project of the day.

J. E. B.

THE PUBLIC DEBT JULY 1, 1863.

THE following is a statement of the public debt July 1, 1863, derived from official sources:

INTEREST BEARING DEBT.

Four per cent temporary loan..coin	\$5,036,037 30	
Four per cent temporary loan....	23,023,258 19	
	<hr/>	\$28,059,295 49
Five per cent temporary loan.....	\$70,808,188 91	
Five per cent temporary loan..coin	6,450 00	
Five per cent bonds due 1865....	3,461,000 00	
Five per cent bonds due 1871....	7,022,000 00	
Five per cent bonds due 1874....	20,000,000 00	
	<hr/>	\$101,297,638 91
Six per cent bonds due 1868.....	18,323,591 80	
Six per cent bonds due 1881.....	69,547,800 00	
Six per cent bonds due 1882.....	185,604,141 26	
Six per cent Treasury notes.....	717,100 00	
Six per cent certifi's of indebtedn's	157,093,241 65	
	<hr/>	\$431,215,874 71
7 30-100 bonds due Aug. 19, 1864	52,931,000 00	
7 30-100 bonds due Oct. 1, 1864	86,989,500 00	
	<hr/>	\$149,920,500 00

DEBT NOT BEARING INTEREST.

Treasury notes past due.....	\$39,100 00	
U. States notes..	\$387,646,589 00	
Less am't in treas.	11,157,088 12	
	<hr/>	\$376,489,500 88
Fractional currency.....	20,192,456 00	
	<hr/>	\$396,721,056 88
Total debt July 1, 1863, as exhibited by the books of the Treasury Department		\$1,097,274,365 99
Total debt July 1, 1863, as estimated by the Secretary in report of December, 1862.....		1,122,297,403 24
		<hr/>
Actual debt less than the estimated debt by.....		\$25,023,037 25

RECAPITULATION.

Aggregate debt at 4 per cent interest.....	\$28,059,295 49
“ “ at 5 “ “	101,297,638 91
“ “ at 6 “ “	431,275,874 71
“ “ at 7 30-10 “	139,920,500 00
“ “ without interest.....	376,721,056 88
	<hr/>
Total debt July 1, 1863, as exhibited by the books of the Treasury Department.....	\$1,097,274,365 99
Total debt July 1, 1863, as estimated by the Secretary in report of December, 1862.....	1,122,297,403 24
	<hr/>
Actual debt less than the estimated debt.....	\$25,023,037 25

The interest required to be paid in gold coin on the public debt of the United States, as it stood July 1, 1863, and the interest stipulated to be paid in currency, stand as follows for the current fiscal year:

INTEREST PAYABLE IN GOLD COIN.

On four per cent deposits.....	\$5,036,000	\$201,440
On five per cent deposits.....	35,000,000	1,750,000
On five per cent funded debt.....	30,490,000	1,524,500
On six per cent funded debt.....	274,183,000	16,450,980
On 7.80 per cent Treasury bonds.....	139,920,000	10,214,160

Total interest payable in gold.....	\$30,141,080
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INTEREST PAYABLE IN CURRENCY.

On four per cent deposits.....	\$23,023,000	\$920,920
On five per cent deposits.....	35,808,000	1,440,400
On six per cent certificates.....	157,093,000	9,425,580

Total interest in currency.....	\$11,786,909
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Principal of gold bearing debt.....	\$484,629,000
Principal of currency debt.....	215,924,000
Principal of United States circulation.....	396,721,000

Total public debt.....	\$1,097,274,000
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Interest in gold.....	\$30,141,080	
Interest in currency.....	11,786,900	\$41,927,980
Average rate of interest, 3.89 per cent.		

The customs revenue for the current year, receivable exclusively in gold, is estimated at \$70,000,000, while the interest on the funded and other public debt stipulated to be paid in gold, is, thus far, only \$30,000,000 per annum, and the entire interest on the public debt of all classes \$41,927,980.

CUBA AND THE UNITED STATES—DUTIES ON FLOUR AND SUGAR.

THE *Philadelphia Commercial List and Prices Current* learns from private sources that it is the intention of the Spanish Government in Madrid, at an early day, greatly to reduce the duty on flour imported into the Spanish colonies, with more especial reference to the extensive trade between the island of Cuba and the United States. The present tariff on flour in Cuba, it is well known, amounts almost to a complete prohibition of the importation of this article, and for this reason the trade in flour between this country and Cuba has always been exceedingly limited. As a set-off to this act of enlightened legislation, we learn that it is the intention of the Spanish Minister, under instructions from the home government, to apply to the United States authorities for a reduction of the present duties on sugar imported into America.

COMMERCIAL CHRONICLE AND REVIEW.

COURSE OF BUSINESS—FALL OF PRICES—DEPRESSION—GOVERNMENT STOCKS—CURRENCY—EXPENDITURES—APPROPRIATIONS—WAR BUSINESS—MASSACHUSETTS BANK COMMISSIONERS—ACCUMULATION IN BANKS—IMPORTS—CONSUMPTION OF GOODS—EXPORTS—BALANCE—GOLD MOVEMENTS—FALL IN PRICE—EXCHANGE—FEDERAL FINANCES—DEBT—PERMANENT INVESTMENTS—IMMENSE RESOURCES—FIRMNESS OF STOCKS—PRICES.

THE course of business in New York and the States generally has been one of contraction. The old regular orders for goods to supply the well-gauged regular demand for consumption in various parts of the Union, on terms of well defined credit, are no longer given, and a "hand to mouth" demand has existed for many months, gradually approaching a strictly cash basis—no one being disposed to hold stocks of goods. The fluctuations in values are such that no regular and safe calculation can be made, either upon the extent of the demand or upon the probable range of prices. Hence all business in excess of actual orders to be filled partakes of the character of a very hazardous speculation. The year commenced with rising prices, based on the very rapid depreciation of paper and a speculative demand for goods. These two elements reacted on each other. That the currency was rapidly depreciating was evident, and that goods were scarce, as measured by the usual rate of consumption, was equally apparent, so that dealers made haste to acquire stocks of goods. This movement naturally hastened the fall of paper as compared to goods. It was, however, soon discovered that the same influences killed also the demand for goods for consumption, since the high prices forced families very generally to reduce their rate of consumption. The expected demand did not therefore take place, and the speculation subsided. Since that time stocks of goods all over the country have continued to decrease even under the reduced demand from consumers, and, being disposed of on the cash basis, the paper money received for the goods has continued to accumulate at the financial centers, seeking employment in various ways. Prices, meantime, have undergone reaction, and in their fall have involved the trading community in losses that would under the old credit system have produced the most wide-spread panic and disaster. The current of money from shops to financial centers has enabled the government, through the machinery of its agents, to convert from \$100,000,000 to \$200,000,000 of paper into five-twenty stock, and has therefore ceased for the moment to increase the amount of paper outstanding—a circumstance which has helped the depression of values from the high points at the close of February. Holders of goods, under these circumstances, refuse to sell or to meet the market, being persuaded that the lowest point in the oscillation is reached. This state of affairs produces a very great depression in business transactions. The decline in the prices of produce has also a marked effect in reducing the purchasing power of the great mass of Western consumers of goods, who are food sellers, notwithstanding that it somewhat increases that of the city consumers of goods, who are food buyers, although this tendency is counteracted by the diminished

employment of labor to some extent. The general tendency is a more rigid dependence for business upon the vast expenditures of government. The scale of their expenditures is best gauged by the appropriations for the year and the actual outlay. These have been as follows :

Appropriations for the year, to July 1, 1863.....	\$990,971,545
Amount of debt, July, 1862.....	\$514,211,371
“ “ July, 1863.....	1,101,524,887
Increase	\$587,313,516
Duties and taxes.....	90,000,000
	<hr/> \$677,313,516

The appropriations for the year are the sums authorized by various acts of Congress. The increase of debt and the sum of the customs and taxes represent the sum actually paid, being nearly \$2,000,000 per day. With this large sum the government has stepped in and become the great employer. The operation is thus described by the Bank Commissioners of Massachusetts : “ At the breaking out of the rebellion it was feared that the business of the country would be entirely prostrated, and the banks, which make their gains out of the activity of trade, expected to be the greatest sufferers. Neither of these fears have been justified by the event.

* * * Seldom, if ever, has the business of Massachusetts been *more active or profitable* than during the past year. The war has brought into activity many mechanical employments for which there is little occasion in time of peace ; for example, as the manufacture of arms and ordnance, camp and garrison equipage, saddlery and artillery harness, and military clothing and accoutrements. It has, also, greatly stimulated the manufacture of boots and shoes, and of woollen goods ; while the subsistence of the army has furnished a constant and remunerative market for breadstuffs and provisions. There is hardly a branch of domestic industry which has not been actively employed. The cotton manufacture alone has been interrupted by the loss of the raw material, and has given less occupation to labor than usual ; but there was never a time since this branch of industry established itself in New England, when the profits realized from it have been so considerable. * * * The necessity of transporting great bodies of troops from point to point along our seaboard, and of furnishing them subsistence, has called into the service of the government a vast fleet of transports, for the hire of which owners have received rates of compensation greatly exceeding the ordinary profits of commerce. Every steam vessel, capable of navigating either the ocean or harbors and rivers, has been thus employed, and many more, previously regarded as worn out, and no longer seaworthy, having been flimsily repaired, and made to pass through a hasty or corrupt inspection, have gone out laden with valuable property, or invaluable lives, to be wrecked or rescued, as the chances of the weather, or as skillful seamanship might determine. The shipyards, both public and private, have been worked to their utmost capacity, in the construction of iron-clad gunboats and other vessels of war ; while machine shops, rolling mills, and foundries have been equally busy in building their engines, rolling their armor plates, and casting their guns. * * * The wants of the army have come in to make good the loss of the Southern market (for shoes,) and the government has been a liberal and sure, if not a ready

paymaster. Labor has been in great demand, wages have risen, and the trade is again in a high state of prosperity. Wealth has flowed into the State in no stinted measure, despite of war and heavy taxes. In every department of labor the government has been, directly or indirectly, the chief employer and paymaster. Vast contracts have been undertaken and executed with the use of no other credit than such as is based on government vouchers and certificates of indebtedness."

The New England States have indeed been peculiarly favored by reason of the war expenditures, and yet every State has been a receiver, so that these vast sums paid out by government have been the vivifying influence in all sections. It is true that, where the regular course of trade exists, the purchasers give back equivalents. Materials and produce are received in exchange, and the individuals employed reproduce by various industries the capital they consume. Where the government is the purchaser and employer, however, it pays in one medium—that is, its own paper—which is not absorbed or destroyed, but accumulates in large quantities, to be ultimately paid by taxation on industry.

The mode in which this paper accumulates is apparent in the quarterly returns of the New York banks, which show means as follows:

	Due banks.	Due depositors.	Notes on hand.	Cash items.	Loans.
December, 1859,	\$22,693,703	\$73,542,108	\$1,292,265	\$15,924,951	\$120,856,938
" 1861,	24,126,988	91,474,817	879,042	17,040,100	127,087,008
March, 1862,...	30,430,134	89,789,110	1,764,070	19,865,119	98,586,943
June, 1862,....	41,848,761	112,197,068	7,699,166	32,701,487	118,818,378
September 1862,	50,895,784	142,898,012	22,270,248	36,174,337	96,201,023
March, 1863,....	44,874,237	167,904,858	21,309,207	47,959,826	111,126,942
June 23, 1863..	40,850,168	166,989,679	20,248,878	48,070,477	111,146,526

At the first two dates the banks paid specie. They then held of country bank balances, deposits, and notes, \$116,460,000, and their loans were \$127,000,000. At this moment the same items are \$226,800,000, an increase of \$117,400,000, while their loans have been reduced. The cash items or checks of other banks exchanged each morning at the Clearing House also largely increased, showing the increase of the stock and call-loan business, while commercial business, as seen in the column of loans, has retrograded. In the meantime between the, so to speak, consolidation of the war business and the uncertainty as to the great changes that peace will produce, commerce seems to become more circumscribed. The imports at the port of New York have been as follows for six months comparatively:

IMPORTS, PORT OF NEW YORK.

	Specie.	Free goods.	Entered for—		Total.
			Consumption.	Warehouse.	
January.....	\$101,906	\$2,413,649	\$8,741,227	\$4,432,794	\$15,739,676
February.....	213,971	783,561	7,372,589	3,657,775	12,037,846
March.....	123,616	1,328,806	11,461,572	3,454,530	16,370,524
April.....	107,061	1,328,216	9,498,830	6,456,208	17,885,315
May.....	197,217	710,021	7,980,281	5,437,404	14,324,923
June.....	109,997	780,963	6,323,581	5,377,885	12,597,426
Total 6 months	\$853,768	\$7,345,216	\$51,878,080	\$31,428,967	\$91,005,981
" 1862....	512,555	14,210,027	46,645,529	23,685,322	85,050,433

The quantity of goods taken for consumption in the month of June was quite small, notwithstanding that through the decline in gold the expense of landing them were very much reduced. The same circumstan-

ces, however, restricted trade, since it induced buyers to hold back for lower prices. Importers, on the other hand, rather sent the goods to warehouse than meet those views. The decline in the price of exchange did not, however, operate against the export of produce to so great an extent as was anticipated, since the prices of produce fell in a corresponding degree. The figures were as follows:

EXPORTS, PORT OF NEW YORK.

	Specie.	Foreign.		Domestic.	Total.
		Free.	Dutiable.		
January.....	\$4,624,574	\$73,111	\$668,275	\$14,829,398	\$19,695,351
February.....	3,965,664	48,889	610,009	17,780,586	22,400,148
March.....	6,385,442	218,685	758,266	16,187,689	23,695,082
April.....	1,972,834	74,949	376,224	11,581,933	14,004,940
May.....	2,115,679	101,387	602,254	13,183,510	16,002,780
June.....	1,867,774	49,380	298,067	14,780,072	16,495,298
Total 6 months	\$20,681,967	\$556,351	\$3,312,095	\$87,798,188	\$112,298,601
" 1862....	27,976,351	318,386	2,560,208	59,005,313	89,850,268

The sum of the exports of produce, corrected by the average rate of the price of gold, would be \$63,000,000, and shows an advance balance on the six months' business. A good deal of gold went from San Francisco to Europe on New York account, however. The movement of specie and its price at the port of New York were as follows:

SPECIE AND PRICE OF GOLD.

		1862.		1863.		Gold in bank.	Prem. on gold.
		Received.	Exported.	Received.	Exported.		
January	3.	.....	442,147	.....	681,448	35,954,550	34½ a 34½
"	10.	885,928	1,035,025	1,277,788	726,746	36,770,746	34 a 39
"	17.	.....	547,703	.....	1,880,247	37,581,465	40 a 49
"	24.	627,767	322,918	678,841	780,816	38,549,794	47 a 50½
"	31.	.....	310,484	.....	1,331,027	38,894,840	46½ a 60½
February	7.	854,000	976,285	801,860	1,277,000	38,243,839	57½ a 57½
"	14.	614,146	1,156,154	359,978	1,152,546	38,426,460	53½ a 53½
"	21.	759,247	984,512	.....	520,017	37,981,310	54 a 64
"	28.	741,109	510,774	285,394	1,377,016	39,512,256	71 a 72
March	7.	679,074	585,236	1,243,551	733,648	39,705,089	52½ a 53
"	14.	677,058	477,835	.....	3,540,550	36,110,085	54½ a 54½
"	21.	.....	540,968	249,514	1,201,907	38,955,122	53 a 54½
"	28.	490,868	779,564	159,105	1,050,156	34,817,691	41 a 42
April	4.	581,298	673,826	250,778	473,885	34,257,121	53 a 54
"	11.	.....	1,505,728	250,728	607,059	35,406,145	46 a 52½
"	18.	617,279	693,436	217,602	158,487	36,761,696	52 a 53½
"	25.	635,546	1,151,300	256,604	629,855	37,175,067	47 a 51½
May	2.	410,804	712,275	.....	294,998	36,846,528	48 a 50½
"	9.	484,019	1,574,166	205,057	451,827	38,102,633	58½ a 47
"	16.	604,632	1,093,081	.....	661,996	38,556,552	49 a 49½
"	23.	501,204	988,032	258,570	438,745	38,544,865	48½ a 49
"	30.	224,911	881,452	.....	279,994	37,632,634	44½ a 44½
June	6.	553,085	1,647,299	318,066	411,483	37,241,670	46 a 46½
"	13.	352,391	1,990,327	.....	235,364	37,884,128	48 a 48½
"	20.	612,461	3,156,988	.....	522,147	38,314,206	42 a 43½
"	27.	393,212	3,094,101	137,082	134,432	38,271,702	46 a 46½
July	4.	.....	2,647,060	.....	347,807	38,302,826	44 a 44½
"	11.	641,451	2,424,916	254,947	401,936	38,712,397	32½ a 32½
"	18.	441,179	1,846,023	.....	2,190,781	38,254,427	23 a 23½
Total....		12,362,359	33,448,994	7,293,803	21,999,910	.....	.....

Gold reached its highest price at the close of February, and during

three months fluctuated at about 50 per cent, as the point of paper depreciation. Through the month of June it varied from 44 to 50, and under news of the retreat of the Confederate army and the fall of Vicksburg it declined, until the great insurrection in New York, causing a renewal of disquiet, gave a further downward impulse to it, and it fell to 22½, at the same time that it caused large amounts to be shipped in the week ending July 18. These immense fluctuations in gold were very injurious to business. These influences upon the exchange market are seen in the following table:

RATES OF EXCHANGE.

	London.	Parla.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Jan. 8, 146	a 147½	8.85 a 8.80	56 a 56½	56 a 56½	49½ a 49½	98 a 98½
" 10, 149	a 152	8.72½ a 8.67½	56 a 58	57½ a 58½	50½ a 51½	99 a 100
" 17, 160	a 162	8.52½ a 8.45	60½ a 61½	61 a 62½	54 a 55½	108 a 110
" 24, 162½	a 163	8.50 a 8.45	61 a 61½	61½ a 62	54 a 54½	107 a 108½
" 31, 171	a 177	8.32 a 8.15	65½ a 66½	.65 a 67	57 a 58½	114 a 117
Feb. 7, 169	a 178	8.30 a 8.25	65 a 65½	65 a 65½	57 a 57½	114 a 116
" 14, 170	a 171	8.32 a 8.27	65 a 65½	65 a 65½	56½ a 57½	118½ a 114½
" 21, 171	a 179½	2.20 a 8.12	67 a 68½	68 a 68½	59 a 60½	118½ a 119½
" 28, 185	a 188	8.10 a 8.00	67½ a 71	70 a 71	61½ a 62½	123 a 124
Mar. 7, 167	a 169	8.37½ a 8.30	64 a 64	65 a 66	55 a 55½	111 a 113
" 14, 168	a 171	8.35 a 8.30	64 a 64	64½ a 65½	55½ a 56½	112 a 114
" 21, 169½	a 171½	8.37½ a 8.27½	63½ a 63½	63½ a 64½	56 a 57	113 a 114
" 28, 157	a 161	8.57 a 8.47	61 a 62	61 a 62	53 a 54	107 a 108
April 4, 168	a 172	8.40 a 8.25	62½ a 63½	62½ a 64	55½ a 57	111 a 111
" 11, 158	a 162	8.55 a 8.45	61 a 62	61 a 62	53½ a 54½	106 a 108
" 18, 165	a 167½	8.37½ a 8.45	62½ a 62½	62½ a 63	54½ a 55½	108 a 110
" 25, 163	a 165	8.47½ a 8.50	61 a 61½	61½ a 62	53½ a 54½	107 a 108
May 2, 163	a 165	8.47½ a 8.42	61½ a 62	61½ a 62½	53½ a 54½	107 a 108
" 9, 168	a 170	8.42½ a 8.32	62½ a 63	62½ a 63½	55½ a 56½	110 a 112
" 16, 162½	a 164	8.50 a 8.45	61½ a 62	61½ a 62½	54 a 55	107 a 109
" 23, 161	a 163	8.52 a 8.45	61 a 61½	61½ a 62	54 a 54½	107 a 108
" 30, 156½	a 158	8.62½ a 8.55	59½ a 60½	60 a 60½	52½ a 53	104½ a 106
June 6, 158½	a 160	8.57½ a 8.52½	59½ a 61½	60 a 60½	52½ a 53½	105 a 106
" 13, 156	a 161	8.55 a 8.47½	59½ a 61	60 a 61½	52½ a 54	104 a 107
" 20, 155	a 157	8.62 a 8.57½	58½ a 59	58½ a 59½	51 a 52	103 a 104
" 27, 159	a 160½	8.55 a 8.50	59½ a 60½	60 a 60½	52½ a 52½	106½ a 107
July 11, 143	a 146	8.95 a 8.85	54 a 54½	54 a 55½	47½ a 48½	94 a 96
" 18, 138	a 139	4.07	51½ a 52	50 a 52½	46½ a 46½	92 a 93

The operations of the Treasury have changed in character since the date of the last quarterly bank report in the foregoing table. The conversions of government money into five-twenty stock have been carried on to a certain extent. The government debt, July 1st, had increased to \$1,100,836,343, and of this amount \$407,854,456 is paper money; of the remaining \$693,000,000, \$400,000,000 is payable as follows:

	Due in	
Five per cents, January, 1865.....	18 months	\$3,461,000
Seven-thirties, August and October, 1864	12 "	139,996,950
Six per cents, average.....	6 "	156,435,241
Four and five per cents, deposits.....	10 days	94,770,702
Total.....		\$400,063,893

These figures of sums borrowed indicate the vast resources of the country, and the prodigality with which they have been placed to the service

of the government. No nation ever before poured out its means with such lavish hand. It is true that the loans do not take the shape of permanent investments, but are, rather, short loans to be paid at call. Thus the whole permanent debt consists of the following sums :

Due in 1871 and 1874.....	\$27,022,000
" 1868.....	18,323,591
" 1881.....	69,457,800
" 5-20 year.....	182,414,401

Total present debt.....	\$297,217,792
Old peace debt.....	60,189,406

Total permanent war debt.....	\$237,028,386
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This is the amount of permanent investments in the war debt. The prices of the government stocks have remained very firm :

PRICES UNITED STATES PAPER.

		—5's, 1881.—		5's, 1874.	7 3-10, 8 years.	1 year certif.		Gold.	August demand notes.
		Reg.	Coup.			Old.	New.		
January	3..	96½	98	88½	102½	96½	a...	34½ a	34½ 29
"	10..	97½	98	90	108	97	...	37½ a	38 35
"	17..	91½	91½	88½	101	95	...	49 a	46½ 43
"	24..	95	96	90	102	96	...	47 a	48½ 44½
"	31..	92½	94	86	101½	94	...	55 a	60½ 53
February	7..	92	92½	85½	102	94	...	57½ a	57½ 55
"	14..	94	96	87½	102½	96	...	58½ a	53½ 51
"	21..	96½	97½	91½	103½	95	...	53½ a	64 62
"	28..	100½	102½	97	105½	98½	...	71 a	71½ 71
March	7..	99½	100½	94½	105	98½	...	52½ a	53 53
"	14..	104½	104½	98	106½	100	...	54½ a	54½ 53
"	21..	103½	104½	96	107	100	...	54½ a	54½ ..
"	28..	104½	105	96½	106½	100	...	41 a	41½ ..
April	4..	104½	105	97½	104½	99	...	53 a	53½ ..
"	11..	104½	105	97½	105	100½	...	46 a	52½ ..
"	18..	104	105	96	105	101	...	53 a	53½ ..
"	25..	105	105	96	106	102	99½	151½ a	151½ ..
May	2..	105½	106½	97½	106½	103	99½	150 a	150½ ..
"	9..	106	107	97	106	101½	99½	152½ a	152½ ..
"	16..	108	108	97½	107	101½	99½	149 a	149½ ..
"	23..	108½	108½	97½	107½	101½	99½	148½ a	149 ..
"	30..	108	108	97½	107	101½	99½	144½ a	144½ ..
June	6..	104	108½	99	107	101½	97½	146 a	146½ ..
"	13..	104½	108½	99	106	101½	98	148 a	148½ ..
"	20..	108½	108½	98½	106	101	98½	142½ a	143½ ..
"	27..	102	107½	98	104	100½	97	146½ a	146½ ..
July	11..	104½	105	97½	106	100½	98½	132½ a	132½ ..
"	18..	104½	106	98	106½	101	99	125 a	125½ ..

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

CITY BANK RETURNS.

LITTLE satisfaction can be obtained in examining the returns of our city banks from week to week; their regular business is so mixed up with government transactions that but few definite facts can be learned from these statements. For instance, the bank loans have now reached in New York city \$173,126,387, whereas before the war they were only about \$125,000,000. From such a statement as this one might suppose that business was now more active than ever before, and that the banks had discounted \$173,000,000 of good business paper. The question therefore naturally arises, is this so — of what is this column of loans made up? Suppose peace were to be declared to-day, could the banks realize on these loans so as to pay up their depositors and help their customers; for as soon as the fetters of war are removed, every cent of money that can be obtained will be needed and used by merchants in supplying the extraordinary demands of trade which must then arise.

But as we said before, from these weekly returns we get little satisfaction on these points. All they tell us is, that the New York city banks hold \$173,000,000 of loans, and that they have deposits to the amount of \$163,000,000. If, however, we go back to the quarterly returns in March, 1863, we find, that of the loans which were then \$180,000,000, about \$74,000,000 were government stocks. Probably the amount of government's is somewhat increased since that time, but even calling it the same and it leaves the ordinary business loans at less than \$100,000,000. Is this a safe position for the banks to hold? United States Government stocks, as a *permanent* investment, are as good as anything in the world; but can the banks afford to hold them, or do they intend as soon as peace returns to throw them on the market? Would not such a course break the market, ruin themselves, and injure the government? Is it not therefore their duty to themselves, the government, and their customers to work out of this position gradually, and *now* while they can do it without harm to any one?

We give below our usual returns brought down to the latest dates. The changes are unimportant. In New York and Philadelphia the circulation continues to decrease. It is very seldom now that one sees a New York city bill. The \$5,000,000 or \$6,000,000 they have out cannot be in circulation, but must be held mostly by parties who anticipate a decision adverse to the legal tender notes in our Court of Appeals in September. In case such a decision is made, these bank notes will of course have to be redeemed in specie:

NEW YORK BANKS.

NEW YORK BANKS. (*Capital, Jan., 1863, \$69,494,577; Jan., 1862, \$69,493,577.*)

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
January 3,.....	\$173,810,009	\$35,954,550	\$9,754,355	\$159,163,246	\$186,861,762
" 10,.....	173,816,010	36,770,746	9,551,563	162,878,249	249,796,489
" 17,.....	176,606,558	37,581,465	9,241,670	164,666,003	314,471,457
" 24,.....	179,238,266	38,549,794	9,083,419	168,269,228	298,861,866

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
February 7,.....	179,892,161	88,243,889	8,780,154	166,842,777	802,852,571
" 14,....	173,103,592	88,426,460	8,756,217	167,720,880	265,139,104
" 21,....	178,335,880	87,981,310	8,752,536	170,103,758	291,242,929
" 28,....	179,958,842	89,512,256	8,789,969	178,912,695	340,574,444
March 7,.....	181,098,322	89,705,089	8,693,175	174,689,212	344,434,442
" 14,....	177,875,949	86,110,085	8,657,016	172,944,084	307,370,817
" 21,....	178,829,479	83,955,122	8,609,723	167,004,466	277,831,851
" 28,....	172,448,526	84,317,691	8,560,602	168,863,846	281,326,258
April 4,....	178,038,019	84,257,121	8,348,094	160,216,418	287,347,704
" 11,....	170,845,283	85,406,145	8,178,091	159,894,731	264,468,080
" 18,....	169,132,822	86,761,696	8,039,558	164,122,146	259,417,565
" 25,....	171,079,322	87,175,067	7,555,549	167,863,999	258,654,781
May 2,.....	177,364,956	86,846,528	7,204,169	167,696,916	355,557,732
" 9,.....	180,114,983	83,002,633	7,080,565	163,656,518	367,560,731
" 16,....	180,711,072	88,556,642	6,901,700	168,879,130	353,346,664
" 23,....	181,319,851	88,544,865	6,780,678	167,655,658	380,304,748
" 30,....	181,825,856	87,692,634	6,494,375	166,261,121	307,680,918
June 6,.....	182,745,080	87,241,670	6,341,091	162,767,154	289,757,539
" 13,....	180,808,823	37,884,123	6,210,404	159,551,150	302,377,276
" 20,....	177,088,295	38,314,206	6,120,252	157,123,301	259,483,221
" 27,....	175,682,421	38,271,202	6,004,177	158,529,308	264,819,856
July 4,....	174,837,384	38,802,826	5,998,914	158,642,825	267,785,773
" 11,....	175,087,485	36,712,397	5,927,071	160,733,496	319,945,652
" 18,....	173,126,387	38,254,427	5,860,623	163,319,544	251,168,769

BOSTON BANKS.

BOSTON BANKS. (Capital, Jan., 1863, \$————; Jan., 1862, \$38,231,700.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5,...	\$77,339,046	\$7,672,028	\$8,190,496	\$33,372,648	.....	.....
" 12,...	77,427,173	7,751,000	8,373,000	33,063,800	17,006,000	13,520,000
" 19,...	76,824,700	7,710,600	8,199,600	33,382,000	16,547,800	13,727,700
" 26,...	76,354,000	7,710,700	8,008,500	33,347,000	16,811,700	13,958,000
Feb. 2,...	76,496,800	7,655,000	8,665,000	34,076,800	16,889,000	14,490,000
" 9,...	78,431,000	7,707,000	8,074,000	35,178,600	16,932,000	14,188,000
" 16,...	78,431,000	7,794,000	8,001,000	34,903,000	17,070,700	14,095,500
" 23,...	78,782,600	7,624,000	8,002,000	34,965,500	17,331,000	14,533,800
Mar. 2,...	79,127,500	7,553,000	8,001,980	35,245,500	17,523,500	15,004,000
" 9,...	79,274,700	7,582,000	8,225,000	35,215,000	17,340,400	14,446,500
" 16,...	79,636,134	7,609,238	7,780,062	32,955,149	17,230,800	13,844,500
" 30,...	77,935,000	7,572,600	7,593,800	31,604,500	17,074,400	11,601,300
April 6,...	76,938,600	7,703,800	7,963,500	32,687,060	15,444,000	12,280,600
" 13,...	74,551,013	7,812,895	7,762,915	32,494,822	14,557,000	12,947,800
" 20,...	78,459,160	7,799,315	7,278,506	33,209,742	14,132,000	12,658,000
" 27,...	78,558,000	7,838,800	7,040,000	32,781,500	13,303,000	11,966,700
May 4,...	73,218,155	7,864,731	7,433,496	31,949,763	13,237,700	11,622,600
" 11,...	73,062,789	7,847,849	7,688,233	31,309,985	13,147,000	11,800,000
" 18,...	73,068,598	7,794,046	7,167,327	32,192,770	12,863,500	11,732,000
" 25,...	72,874,000	7,777,000	7,011,700	33,000,000	12,787,000	11,748,000
June 1,...	73,424,000	7,751,000	6,913,000	32,575,000	12,735,000	10,704,500
" 8,...	73,592,000	7,738,557	7,030,286	31,723,235	12,626,700	10,874,700
" 15,...	73,237,000	7,780,000	7,109,000	31,477,600	12,235,500	10,541,000
" 22,...	73,351,000	7,697,000	7,344,500	31,555,800	12,504,600	10,914,700
" 29,...	73,421,084	7,683,987	7,040,624	31,477,596	12,388,000	10,900,000
July 6,...	73,548,918	7,744,827	7,473,800	31,509,263	12,233,000	10,891,000
" 13,...	73,485,675	7,774,991	7,508,442	30,277,502	12,193,000	10,712,000
" 20,...	73,421,000	7,684,000	7,401,500	29,287,000	13,302,000	10,154,600

PHILADELPHIA BANKS.

PHILADELPHIA BANKS. (Capital, Jan., 1863, \$11,740,080; 1862, \$11,970,180.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5...	\$37,679,675	\$4,510,750	\$4,504,115	\$28,429,189	\$6,948,785	\$1,994,928
" 12...	37,533,757	4,544,786	4,450,676	28,018,792	6,890,963	1,842,932
" 19...	37,416,694	4,549,369	4,382,520	27,877,069	7,060,847	2,275,905
" 26...	37,479,712	4,572,419	4,284,947	28,773,517	6,765,980	2,638,985
Feb 2...	37,268,894	4,562,580	4,181,508	29,231,753	6,698,210	2,909,857
" 9...	37,338,367	4,319,706	4,039,918	28,062,164	6,953,215	2,518,036
" 16...	37,710,851	4,272,347	3,888,185	28,759,049	7,452,563	2,432,973
" 23...	37,720,460	4,276,761	3,772,781	29,342,596	7,413,249	2,703,196
Mar. 2...	37,901,080	4,267,626	3,696,097	30,175,518	7,185,670	2,768,852
" 9...	38,608,871	4,249,035	3,608,870	30,679,259	7,100,258	2,499,139
" 16...	39,260,028	4,247,817	3,534,880	30,549,587	7,476,603	1,939,449
" 23...	39,458,384	4,247,688	3,295,862	30,106,135	7,418,482	1,935,014
" 30...	39,937,612	4,311,704	3,369,194	29,171,233	6,501,758	2,158,007
Apr. 6...	37,516,520	4,339,252	3,374,417	29,531,559	5,768,558	2,770,129
" 13...	36,250,402	4,343,242	3,296,685	30,117,527	5,953,809	3,014,229
" 20...	36,295,644	4,343,988	3,185,042	31,059,644	5,806,809	3,018,727
" 27...	36,482,058	4,346,377	3,078,921	31,021,799	5,448,124	2,559,868
May 4...	36,587,294	4,355,324	2,989,428	30,859,231	5,328,898	2,391,087
" 11...	36,593,179	4,359,865	2,901,600	30,949,781	4,975,939	2,542,792
" 18...	36,887,301	4,357,119	2,866,121	31,892,308	4,640,623	2,536,279
" 25...	37,116,093	4,357,169	2,808,109	32,455,953	4,623,392	2,480,714
June 1...	37,143,937	4,357,021	2,706,953	31,888,763	4,707,278	2,363,548
" 8...	37,157,769	4,357,076	2,649,233	31,549,339	4,645,713	2,318,744
" 15...	37,228,627	4,357,025	2,621,093	31,648,959	4,914,425	2,332,273
" 22...	37,219,216	4,356,744	2,596,115	31,293,330	4,863,493	2,065,913
" 29...	37,350,665	4,359,543	2,556,855	31,466,204	5,116,693	1,820,600
July 6...	35,936,311	4,360,745	2,564,558	28,504,544	5,060,096	1,961,814
" 13...	34,866,842	4,360,003	2,507,253	28,701,313	4,784,343	2,530,552
" 20...	34,662,966	4,361,999	2,482,986	29,931,608	4,580,323	2,381,867

The following is a statement of the amount of United States legal tender notes held by the Philadelphia banks at the dates mentioned :

June 22.....	\$6,082,729
" 29.....	6,952,150
July 6.....	5,953,622
" 13.....	6,916,751
" 20.....	7,066,593

BANK OF ENGLAND.

The bank returns July 1st showed unusually important changes as follows :

Increase of securities.....	£3,734,056
Increase of active circulation.....	1,213,091
Increase of private deposits.....	2,464,743

In speaking of these changes the London *Economist* says "several circumstances have combined to produce them. First. There is the great movement consequent on the payment to the Hudson's Bay Company, which amounts to £1,500,000, and which, as the new capital is not raised, and the old one paid off, to a considerable extent must be borrowed from some one.

"Secondly. The public balances being unusually large, more than

£10,350,000, the ordinary advances from the bank at the close of the quarter are larger than usual.

"Thirdly. Several of the Indian railways have taken some large amounts for dividends.

"Fourthly. There is always a large increase of active circulation at the close of the quarter to pay salaries, &c."

The returns for the next week, July 8th, show the effect of the disbursements on account of dividends during the week.

The following comparative table will be of interest, affording as it does a view of the bank returns, the bank rate of discount, and the price of wheat in London during a period of three years corresponding with the date of our last returns July 8th:

At corresponding dates with the week ending July 8, 1863.	1861.	1862.	1863.
Circulation, including bank post bills...	£20,778,687	£22,504,490	£22,038,478
Public deposits.....	8,255,618	5,429,939	5,593,824
Other deposits.....	13,914,598	17,199,715	18,595,718
Government securities.....	9,616,202	10,952,679	11,046,868
Other securities.....	19,900,591	20,238,233	23,503,448
Reserve of notes and coin.....	6,166,804	9,889,877	8,094,089
Coin and bullion....	11,674,399	17,055,537	14,824,969
Bank rate of discount.....	6 per cent.	2½ p. cent.	4 per cent.
Average price of wheat... ..	50s. 10d.	56s. 7d.	46s. 11d

Subjoined is our usual table with the returns brought down to July 8, 1863:

WEEKLY STATEMENT.

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 17...	£19,932,360	£8,507,144	£14,038,994	£30,589,368	£15,081,658	3 pr. ct.
" 24...	20,150,398	8,654,499	14,306,497	31,346,731	14,370,795	3 "
" 31...	20,516,435	8,838,717	15,469,254	32,468,020	14,956,421	3 "
Jan. 7...	20,927,993	8,782,808	14,393,808	32,620,233	14,685,555	3 "
" 14...	21,018,849	4,280,780.	16,772,782	31,165,075	14,102,169	4 "
" 21...	20,898,931	4,965,798	14,993,225	30,227,086	13,855,849	4 "
" 28...	20,771,336	5,416,863	14,414,763	30,238,865	13,611,823	5 "
Feb. 4...	20,709,154	6,861,617	13,852,287	29,997,233	13,692,186	5 "
" 11...	20,444,454	6,952,808	13,596,356	30,288,406	14,070,651	5 "
" 18...	19,916,496	7,413,275	13,769,276	29,890,503	14,589,222	4 "
" 25...	19,716,828	7,901,668	13,367,153	29,709,079	14,614,096	4 "
Mar. 4...	20,322,055	8,036,003	13,368,086	30,880,805	14,504,517	4 "
" 11...	19,801,665	8,673,899	13,282,605	31,096,327	14,328,178	4 "
" 17...	20,012,331	9,843,499	13,003,088	31,482,170	14,547,812	4 "
" 24...	20,136,276	10,364,471	12,742,282	31,896,333	15,025,274	4 "
Apr. 1...	20,965,228	10,107,041	13,172,090	32,775,752	15,141,755	4 "
" 8...	21,279,339	6,714,109	14,829,832	30,946,784	14,968,835	4 "
" 15...	21,326,320	5,769,276	15,013,891	29,974,677	15,229,237	4 "
" 22...	21,418,226	6,316,413	14,739,897	30,182,533	15,387,151	3 "
" 29...	21,452,800	7,178,312	13,606,939	29,994,849	15,848,492	3½ "
May 6...	21,376,999	7,241,739	13,122,087	29,718,602	15,141,760	3 "
" 13...	21,252,916	6,735,137	13,727,556	30,201,120	14,653,141	3 "
" 20...	21,263,815	7,610,278	13,983,654	31,484,815	14,529,451	4 "
" 27...	20,909,819	8,002,346	13,842,718	31,412,190	14,500,019	4 "
June 3...	21,009,392	8,779,387	13,896,450	32,389,044	14,425,553	4 "
" 10...	21,080,460	9,782,830	13,783,263	33,240,192	14,556,121	4 "
" 17...	20,655,473	9,882,135	13,904,506	32,760,953	14,850,156	4 "
" 24...	20,525,655	10,279,053	13,809,996	32,756,459	15,026,118	4 "
July 1...	21,738,756	10,856,373	16,274,739	36,490,515	15,080,271	4 "
" 8...	22,038,478	5,593,834	18,595,718	34,647,336	14,824,969	4 "

STATEMENT OF THE BANK OF KENTUCKY AND BRANCHES.

The following statement, under date of July 6, 1863, gives the condition of this bank:

RESOURCES.

Bills of exchange maturing and past due	\$1,576,409	13
Notes discounted " " "	1,323,186	02
Suspended debt in suit, notes and bills..	460,769	89
126 bonds city of Louisville, 6 per cent, cost	94,750	00
Loan to State of Kentucky.....	500,000	00
U. S. stocks and of other corporations...	464,061	02
Real estate for debt.....	102,982	20
Assets of Schuylkill bank.....	112,848	47
	<hr/>	
	\$4,634,506	73
Bank balances other than Eastern.....	1,357,744	58
Real estate for banking houses.....	81,250	97
Cash—gold and silver.....	867,187	52
Notes of other banks and United States legal tender.....	770,989	00
On deposit in Eastern banks.....	1,319,941	13
	<hr/>	
Total.....	\$2,958,117	65
Deduct seized and carried off by the rebels at Columbus, by order of Gen. Polk..	44,938	18
	<hr/>	
	2,913,179	47
Total.....	<hr/>	\$8,986,681 75

LIABILITIES.

Capital stock.....	\$3,631,900	00
Contingent fund required by charter....	\$74,000	00
Fund to cover bad debts.....	72,975	38
Profit and loss after deducting dividend No. 51, and tax.....	424,331	66
	<hr/>	
	571,307	04
Dividends unpaid.....	\$15,033	36
Dividend No. 51, declared this day, three per cent and tax.....	112,326	80
	<hr/>	
	127,360	16
Bank balances, including State Treasury.....	2,203,302	23
Due depositors.....	1,395,166	32
Circulation.....	1,057,646	00
	<hr/>	
Total.....	\$8,986,681	75

A large proportion of bills of exchange and discounted notes belonging to our Southern and other branches is now past due and not renewed, in consequence, mainly, of the interruption of communication, the war, the occupation of territory by the rebels, and the general embarrassments of debtors who weretraders with the South.

BANKING ASSOCIATIONS ORGANIZED OR ORGANIZING UNDER THE UNITED STATES BANKING LAW.

The following is a list of banking associations organizing under the United States banking law :

	Names.	Capital.	President.	Cashier.
First	National Bank, New York . . .	\$200,000	S. C. Thompson,	J. Ourphey.
"	" Philadelphia ..	150,000	O. W. Davis,	M. McMichael.
"	" Chicago.....	100,000	Edmund Alken,	.....
"	" Syracuse, N. Y.	100,000	E. B. Judson,	G. B. Leonard.
"	" Cleveland, O..	100,000	G. Worthington,	S. W. Crittenden.
Second	" Cleveland, O..	600,000	J. Perkins,	H. B. Hurlbut.
First	" Dayton, O.	112,500	S. Gebhart,	G. B. Harman.
Second	" Dayton, O.	100,000	J. Harshman,	D. O. Rench.
First	" Fremont, O.	100,000	S. Birchard,	N. S. Miller.
"	" Fort Wayne, Ind	100,000	J. D. Nultman,	W. B. Fisher.
"	" Youngstown, O.	155,000	H. Manning,	J. S. Edward.
"	" Ann Arbor, Mic.	75,000	T. Chapin,	O. H. Richmond.
"	" Erie, Pa.	100,000	J. Spencer,	M. Sanford.
"	" Stamford, Ct..	200,000	H. M. Humphrey,	C. W. Brown.
"	" Springfield, Mas	150,000	J. Kirkham,	J. H. Appleton.
"	" New Haven, Ct.	300,000	H. M. Welch,	W. Maulthrop.
"	" Davenport, Io'a.	100,000	A. Corbin,	J. M. Gifford.
"	" Lafayette, Ind.	250,000	M. L. Pierce,	David McBride.
"	" Sandusky, O ..	100,000	H. Moss,	H. O. Moss.
"	" Carlisle, Pa. . .	50,000	S. Hepburn,	W. W. Hepburn.
"	" Richmond, Ind.	110,000	J. E. Reeves,	E. W. Yarrington.
"	" Iowa City, Iowa	50,000	W. B. Daniells,	W. H. Hubbard.
"	" Portsmouth, NH	100,000	W. H. Y. Hackett,	H. Lord.
Third	" Cincinnati, O ..	300,000	A. L. Mowry,	F. Goodman.
First	" Aurora, Ill.	50,000	J. Van Nortwick,	Ira H. Fitch.
"	" Tonawanda, Pa.	65,000	G. F. Mason,	N. N. Betts, Jr.

THE INCOME TAX.

IMPORTANT DECISION BY THE COMMISSIONER OF INTERNAL REVENUE.

Commissioner LEWIS, of the Internal Revenue Department, has just settled a number of highly important points with reference to the assessment and collection of the income tax. They are embraced in the following, to which the careful attention of all our readers is directed :

The income tax must be assessed and paid in the district in which the assessed person resides. The place where a person votes or is entitled to vote, is deemed his residence. When not a voter, the place where tax on personal property is paid, is held to be the place of residence. In cases of limited partnerships formed with the condition that no dividend or division of profits shall be made until the expiration of the partnership, each member of such firm will be required to return his share of profits arising from such business, for the year 1862, as had they so desired, a division of the profits could have been made. Gains or profits realized from the sale of property during the year 1862, which property was purchased before the Excise law went into effect, should be returned as income for the year 1862.

The executors or administrators of the estates of persons who died in the year 1862 should make return of the income thereof for the year 1862. A merchant's return of income should cover the business of the year 1862, excluding previous years. Uncollected accounts must be estimated. Physicians and lawyers should include actual receipts for services rendered in

1862, together with an estimate of unrealized or contingent income due to that year. Dividends and interests payable in 1862 should be returned as income for that year, no matter when declared.

Dividends derived from gas stock are taxable as income. Income derived from coal mines must be returned, although a tax has been previously paid on the coal produced. No deduction can be made because of the diminished value, actual or supposed, of the coal vein or bed by the process of mining. Rent derived from coal mines is income. Premium paid for life insurance shall not be allowed as a deduction in statement of income. Pensions received from the United States Government must be returned with other income subject to taxation. Old debts, formerly considered hopelessly lost, but paid within the time covered by the return of the income, should be included in this statement. Debts considered hopelessly lost on December 14, 1862, and due to the business of the year 1862 may be deducted from the profits of business. If subsequently paid, they must be included in the return for the year in which paid.

In order to give full effect to the proviso to the ninety-first section of the act of July 1st, 1862, respecting the tax on that portion of income derived from United States securities, it is directed that, when income is derived partly from these and partly from other sources, the \$600, and other allowances made by law, shall be deducted, as far as possible, from that portion of income derived from other sources, and subject to three per cent tax. No deduction can be allowed from the taxable income of a merchant for compensation paid for the service of a minor son.

A farmer, when making return of the total amount of his farm produce, shall be allowed to deduct therefrom the subsistence of horses, mules, oxen, and cattle used exclusively in the carrying on of said farm. The term "farm produce" is construed to include all productions of a farm of what nature and kind soever.

The account of stock sold by a farmer since December 31st, 1862, should not be included in the present assessment, but the profit realized thereby must be accounted for in his next year's return.

Where he has included in his return produce raised by him and fed in whole or part to stock subsequently sold, he must account for the gain realized by the feeding and selling of said stock. Where he has not included the produce so fed, he must return as profits the differences between the value of said stock on the 31st of December, 1861, and the amount realized for them. Fertilizers purchased by farmers to maintain their land in present productive condition will be considered as "repairs" in estimating incomes.

Interest should be considered as income only when paid, unless it is collectable and remains unpaid by the consent or agreement of the creditor.

Losses incurred in the prosecution of business are a fair offset to gains derived from business, but not from those portions of income derived from fixed investments, such as bonds, mortgages, rents and the like.

Property used in business and furnishing profits, when destroyed by fire, may be restored at the expense of those profits to the condition when destroyed. If insured, the difference between insurance received and amount expended in restoration will be allowed.

The increased value given to new buildings by permanent improvements will be charged to capital not income.

The contingent fund of manufacturing corporations made up during the

year 1862, and not distributed, should not be returned as part of the income of the stockholders.

The undisturbed earnings of a corporation made previous to September 1, 1862, whether the corporation is required to pay dividends or not, should not be considered as the income of the stockholders; nor should the corporation be required to make return of said reserved earnings as trustees, under section ninety-three of the Excise law.

The income of literary, scientific, or other charitable institutions in the hands of trustees or others, is not subject to income tax.

When a person boards and rents a room or rooms, the rent thereof in lieu of house, should be deducted from the amount of income subject to taxation.

Losses sustained in business since December 31, 1862, will not enter into the income assessment for 1862.

Interest on borrowed capital used in business may be deducted from income.

If a planter returns all his farm products, he will be allowed to deduct the actual expense of subsisting and clothing his slaves.

Legates are not required to return their legacies as income. There is a special tax on legacies of personal property in Section 111.

The income tax is assessed upon the actual income of individuals. Firms, as such, will not make returns.

The profits of a manufacturer from business are not exempt from income tax in consequence of his having paid the excise tax imposed by law upon articles manufactured by him.

As Bridge, Express, Telegram, Steam and Ferry Boat Companies of Corporations are not authorized by law to withhold and pay to Government any tax upon interest paid or dividend declared by them, all income of individuals derived from these sources is liable to income tax.

All persons neglecting or refusing to make return of income, except in case of sickness, are brought within the penalties prescribed by 11th section of the act of July 1, 1862, viz.: "An addition of fifty per cent to the amount ascertained by the Assistant Assessor upon such information as he could obtain, and a penalty of \$100 to be recovered for the United States, with costs of suit."

RAILROAD LANDS GRANTED TO MICHIGAN.

The General Land Office has just transmitted to the Governor of Michigan three certified transcripts of approved lists in favor of that State, to aid in the construction of railroads, as authorized by act of Congress, approved June 3, 1856.

1. List embracing 26,428 $\frac{77}{8}$ acres, being "sections in place," falling within the six-mile limits of the Bay de Noquet and Marquette Railroad.

2. List for 22,244 $\frac{7}{8}$ acres, as "indemnity," situated between the six and fifteen-mile limits of said roads.

3. List for 3,168 $\frac{7}{8}$ acres.

Total number of acres, 51,841 $\frac{83}{8}$.

STATISTICS OF TRADE AND COMMERCE.

COMMERCE OF NEW YORK FOR THE YEAR ENDING JUNE 30, 1862.

We take from the *Journal of Commerce* the following comparative summaries of the commerce of this port. The total imports for June are about the same as for the corresponding month of last year. The following are the comparative figures:

FOREIGN IMPORTS AT NEW YORK FOR THE MONTH OF JUNE.

	1861.	1862.	1863.
Entered for consumption.....	\$1,825,563	\$7,278,953	\$6,328,581
Entered for warehousing....	3,245,504	3,874,127	5,377,885
Free goods.....	2,131,513	1,122,092	780,963
Specie and bullion.....	5,387,153	61,023	109,997
Total entered at port.....	\$12,649,733	\$12,336,195	\$12,597,426
Withdrawn from warehouse.	1,963,842	5,054,106	3,830,337

It will be seen that the warehousing movement has been reversed as compared with June of last year. Then, nearly \$4,000,000 were warehoused, and over \$5,000,000 withdrawn; while for the last month over \$5,000,000 were warehoused and less than \$4,000,000 were withdrawn. The following will show the comparative imports since January 1st:

FOREIGN IMPORTS AT NEW YORK FOR THE SIX MONTHS FROM JANUARY 1.

	1861.	1862.	1863.
Entered for consumption....	\$31,991,257	\$46,645,529	\$51,378,030
Entered for warehousing....	28,672,040	23,682,322	31,428,967
Free goods.....	17,285,911	14,210,027	7,345,216
Specie and bullion.....	25,909,668	512,555	853,768
Total entered at port.....	\$103,858,876	\$85,050,433	\$91,005,981
Withdrawn from warehouse.	19,374,096	24,052,208	20,594,931

The month of June closed the fiscal year, and we now bring forward the relative totals for the last twelve months. The total shows quite a gain upon last year, but it is far short of the old years of prosperity:

FOREIGN IMPORTS AT NEW YORK FOR THE FISCAL YEAR ENDING JUNE 30.

	1861.	1862.	1863.
Entered for consumption....	\$106,706,066	\$68,908,508	\$109,216,485
Entered for warehousing....	54,498,323	36,082,510	53,233,076
Free goods.....	29,121,710	27,278,034	16,426,814
Specie and bullion.....	34,075,161	11,691,300	1,731,490
Total entered at port.....	\$224,401,260	\$143,960,347	\$180,607,865
Withdrawn from warehouse.	36,162,363	44,295,371	38,106,477

We make our usual division of the imports to show in what branches of the trade the greatest changes have occurred:

DESCRIPTION OF IMPORTS FOR THE YEAR ENDING JUNE 30TH.

	1861.	1862.	1863.
Dry goods.....	\$83,310,345	\$38,155,720	\$61,963,037
General merchandise.....	107,015,754	94,113,327	116,913,338
Specie and bullion.....	34,075,161	11,691,300	1,731,490
Total imports.....	\$224,401,260	\$143,960,347	\$180,607,865

IMPORTS OF DRY GOODS AT NEW YORK FOR THE YEAR ENDING WITH JUNE.

	1862.	1863.
Manufactures of wool.....	\$18,052,168	\$26,653,850
“ cotton.....	6,033,980	8,474,908
“ silk.....	8,139,932	13,412,250
“ flax.....	4,328,781	10,012,580
Miscellaneous dry goods.....	1,600,859	3,409,449
Total imports.....	\$38,155,720	\$61,963,037

As the trade in each of the last three years has been affected by our domestic troubles, we have thrown together the corresponding totals since 1850, which will be found very interesting as showing the progress of this branch of commerce for thirteen years:

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK.

	Value imported.		Value imported.
1850-51.....	\$64,613,747	1857-58.....	\$67,317,736
1851-52.....	57,221,062	1858-59.....	93,549,083
1852-53.....	79,192,513	1859-60.....	107,843,205
1853-54.....	92,389,627	1860-61.....	83,310,345
1854-55.....	62,918,443	1861-62.....	38,155,720
1855-56.....	85,898,690	1862-63.....	61,963,037
1856-57.....	92,669,088		

The above shows that if we except last year, we must go back over ten years to find another total as small as for the year just closing. Some will regard this as an evidence of prosperity, on the old high tariff theory that when more goes out of a country than comes back, then the balance of trade is in our favor.

The revenue for customs shows a relative loss, the total gain in receipts being far less than the comparative gain in the dutiable imports. We annex the total for the month, for six months, and for the fiscal year:

REVENUE FROM CUSTOMS AT NEW YORK.

	1861.	1862.	1863.
In June.....	\$885,062 41	\$4,664,927 19	\$3,738,934 06
Previous five months..	9,700,272 54	20,398,460 89	20,104,143 91
Total in six months..	10,585,334 95	\$25,063,388 08	\$23,843,077 97
Total fiscal year....	28,223,137 16	36,193,034 43	51,033,806 61

The exports of produce and merchandise from New York in June, show a gain of about 50 per cent in the nominal value over the corresponding total for last year:

EXPORTS FROM NEW YORK TO FOREIGN PORTS DURING THE MONTH OF JUNE.

	1861.	1862.	1863.
Domestic produce.....	\$10,270,430	\$10,048,832	\$14,780,072
Foreign merchandise (free) ..	648,482	43,368	49,380
Foreign merchandise (dut'ble)	903,877	372,561	298,067
Specie and bullion.....	244,242	9,867,614	1,867,774
Total exports.....	\$12,067,031	\$20,332,375	\$16,495,293
Total exclusive of specie..	11,822,789	10,464,761	15,127,519

The shipments of specie are far less than for June of last year, that total being the largest of any similar month in our history. The following will show the relative exports from New York during the last six months :

EXPORTS FROM NEW YORK TO FOREIGN PORTS FOR SIX MONTHS FROM JANUARY 1ST.

	1861.	1862.	1863.
Domestic produce.....	\$61,477,439	\$59,005,373	\$87,793,188
Foreign goods (free).....	1,685,329	318,336	556,351
Foreign goods (dutable)....	3,438,463	2,550,203	3,312,095
Specie and bullion.....	3,249,438	27,976,351	20,631,967
Total exports.....	\$69,850,669	\$89,850,263	\$112,293,601
Total exclusive of specie..	66,601,231	61,873,912	91,661,634

We also bring forward our totals from the previous July—as the month of June completes the United States fiscal year. The total for the year is the largest ever on record. The previous year was the highest point then reached, and this exceeds that by upwards of \$50,000,000, without reckoning the gain in specie.

EXPORTS FROM NEW YORK TO FOREIGN PORTS FOR THE FISCAL YEAR ENDING JUNE 30TH.

	1861.	1862.	1863.
Domestic produce.....	\$118,119,873	\$128,763,929	\$177,967,406
Foreign goods (free).....	2,224,564	787,954	3,091,863
Foreign goods (dutable) ...	6,111,228	4,315,699	5,663,275
Specie and bullion.....	23,860,857	28,966,163	52,092,637
Total exports.....	\$150,386,522	\$162,830,745	\$238,815,181
Total exclusive of specie..	126,525,665	133,867,582	186,722,544

These statements have been waited for with much interest, as many are much interested in making up the balance of trade with a view of anticipating the course of exchange. We furnish the figures and leave the deductions to others. The imports are valued by an arbitrary standard, which, in most cases, is a little below the specie basis. The reports of produce and merchandise have been reckoned by their paper or purchasable value. The total of each is taken from the sworn entries at the custom-house, and in this sense the figures are official, and must therefore agree exactly with the government returns.

It has occurred to us as a matter of no little interest to make an examination into the relative business by American and foreign vessels, to see how

far the trade under the Federal flag has been affected by our domestic troubles, and the consequent "perils of the sea." We find that the change has been very important, as shown in the following comparison between the entire business of the year 1859 and the year 1862, at this port:

FOREIGN COMMERCE OF 1859 AND 1862 AT THE PORT OF NEW YORK.

	In American vessels.	In foreign vessels.
Imports from foreign ports.....	\$139,505,156	\$104,549,748
Exports to foreign ports.....	75,471,927	63,274,900
Total trade of 1859.....	\$213,977,083	\$167,824,648
Imports from foreign ports.....	\$66,856,292	\$106,630,141
Exports to foreign ports.....	83,321,296	133,094,774
Total trade of 1862.....	\$150,177,588	\$239,724,915

The totals here given are made up in a different method from the regular monthly summaries, and give the trade by arrivals and departures instead of the trade by entries at the custom-house. This will explain the discrepancies in the returns; but this record is also official, and more convenient for reference. It shows a very great change in the business of the port. In 1859, the commerce by American vessels exceeded that by foreign vessels to the amount of \$44,000,000. In 1862, this was reversed; and the commerce by foreign flags exceeded that by our own flag to the amount of \$89,000,000. A considerable part of this change must be owing to the greater employment of American ships as government transports; part of it is also due to the fact that much of the importing business is done by the steamers, now all under the foreign flag; and still another reason for the change may be found in a covering transfer of vessels to a foreign flag for convenience and safety. But after making every allowance for these influences, it must be evident that the fear of depredations on our commerce, by the Confederates and privateers, has driven a large portion of our foreign trade to neutral vessels. We believe that the change here set forth has been greater than was generally expected, and we shall be surprised if it does not attract the serious attention of our Chamber of Commerce. It may be that the head of our Navy Department realizes these facts, and is making vigorous efforts to protect the commerce under our flag; but there has been at times an appearance of indifference at Washington, which, to those who are vitally interested in these changes, seemed quite inexplicable. At any rate, the shipowners cannot be too earnest in calling attention to this important statement.

PETROLEUM FROM JANUARY 1ST TO JUNE 30TH.

The wonderful growth of the petroleum trade may be best understood by an examination of the following table, showing the amount exported the first half of the years 1861, 1862, and 1863. This table is prepared by the editor of the *Philadelphia Coal Oil Circular*, a very reliable publication.

The daily production of oil in the Pennsylvania districts is from five to six thousand barrels. The subsidence or cessation of old wells is almost invariably cotemporaneous with the striking of new ones, of greater or lesser capacity, so that the average daily flow remains unchanged. Drilling is prosecuted without intermission in almost every direction, and

new sources of oil are likely to be discovered almost any hour. Many of the large wells have, however, fallen off largely in their yield, frequently affected by proximate wells, whose flow seems to appreciate in proportion.

The stock of oil on the creek is not accumulating to any great extent, unless it be at the mouth. This latter is not, however, on the market, but is awaiting a rise in the Alleghany River for shipment to Pittsburg. It is, moreover, to a great extent already contracted for to Pittsburg refiners. The tankage capacity on the creek is vast, but, as yet, many of the tanks remain empty. At the "new well" oil is taken away as fast it as flows from the ground, teamers frequently being compelled to wait awhile, until the first receiving tank shall have accumulated a sufficient quantity from which to fill their empty barrels.

The demand for oil at the wells is active, and prices are decidedly firm. On the creek oil brings readily \$3 50 @ \$3 75, some holders asking \$4. Empty barrels are quickly taken at \$3. The stock of "empties" is, however, much larger than has been generally reported, both at Titusville and at the wells. Teaming is firm at \$1 the barrel. Oil delivered on the cars at Titusville, in barrels, finds a ready market at \$8. Buyers at these quotations are at present more numerous than sellers.

PRICES CURRENT OF ACTUAL SALES OF CRUDE AND REFINED PETROLEUM IN
NEW YORK EACH MONTH DURING THE FIRST HALF YEAR OF 1863.

	Crude.	Refined.	Refined, bond.
January 31st.....	22½ @ 25	39 @ 47½	36 @ 40
February 28th.....	22 @ 22½	40 @ 45	35 @ 40
March 28th.....	21 @ 21½	37 @ 40	30 @ 35
April 25th.....	22½ @ 24	42 @ 46	32½ @ 37½
May 30th.....	25 @ 27½	48 @ 52	40 @ 43
June 27th.....	30 @ 31	60 @ 65	50 @ 51

The following is the table referred to above:

EXPORTS OF PETROLEUM FROM THE UNITED STATES DURING THE FIRST HALF
YEAR OF 1863, 1862, AND 1861.

	1863.	1862.	1861.
Acapulco.....galls.	700	....	....
Africa.....	3,870	345	85
Alicante.....	18,000	....	....
Antwerp.....	1,482,593	127,234	101
Argentine Republic.....	13,850	2,540	1,600
Arroyo, P. R.....	500	....	....
Australia.....	416,904	210,940	41,953
Bahia.....	6,000	....	....
Bárbadoes.....	33,335	1,090	....
Belgium.....	125,174	....	....
Bombay.....	7,000	300	....
Bordeaux.....	....	200	594
Brazil.....	89,143	15,942	250
Bremen.....	899,633	21,770	2,125
British Guiana.....	14,692	5,941	400
British Provinces.....	80,925	1,000	....
Buenos Ayres.....	32,000	1,000	....
Calcutta.....	5,000	1,000	....
Callao.....	21,000	....	....

	1862.	1862.	1861.
Canary Islands.....	....	160	....
Cape Good Hope.....	3,500	2,000	....
Cape Town.....	1,000	....	....
Cape Verde.....	10	....	....
Cardenas.....	30,210	....	....
Central America.....	....	2,059	....
Cette.....	....	2,700	....
Chili.....	41,440	16,800	....
China.....	15,314	1,000	200
Cisplatine Republic.....	99,145	3,389	100
Cienfuegos.....	410	....	....
Constantinople.....	3,500	....	....
Cork.....	749,948	170,411	....
Cuba.....	297,401	205,328	30,065
Dieppe.....	46,000	....	....
Dominica.....	200	....	....
East Indies.....	200	250	....
Falmouth.....	389,108	....	....
Fayal.....	3,990	....	....
Flores.....	467	....	....
France.....	650,643	....	....
Genoa.....	140,753	....	....
Gibraltar.....	178,312	117	....
Glasgow.....	188,807	18,206	11,915
Grangemouth.....	287,272	....	....
Hamburg.....	963,177	118,997	2,740
Havana.....	44,562	....	....
Havre.....	930,093	391,618	4,010
Hayti.....	16,997	3,097	100
Honduras.....	940	....	....
Ireland.....	110,400	....	....
Jamaica.....	1,000	....	....
Kingston.....	4,492	....	....
Kurachee.....	2,000	....	....
Laguayra.....	8,480	....	....
Leghorn.....	31,449	....	....
Lisbon.....	3,600	....	....
Liverpool.....	3,912,818	1,656,893	11,680
London.....	2,129,699	1,102,877	16,376
Malaga.....	120	....	120
Marseilles.....	672,470	51,735	125
Martinique.....	195	60	....
Matanzas.....	5,331	....	....
Mauritius.....	1,000	....	....
Mayaguez.....	2,050	....	....
Mexico.....	36,199	3,456	200
Montevideo.....	48,849	....	....
New Grenada.....	84,773	14,232	....
New Zealand.....	7,180	....	....
Oporto.....	2,139	....	....
Otago.....	3,500	7,850	....

	1863.	1862.	1861.
Palermo.....	49,475	3,990	....
Pernambuco.....	1,620	....	....
Ponce, P. R.....	1,540	....	....
Porto Rico.....	41,386	18,184	1,200
Port Elizabeth.....	250	....	....
Port Spain.....	4,924	....	....
Queenstown.....	91,391	126,450	....
Rio Janeiro.....	70,997	4,100	....
Rotterdam.....	482,159	18,091	....
Rouen.....	65,003	....	....
San Andreas.....	50	....	....
San Blas.....	10	....	....
Sandwich Islands.....	....	2,400	....
Scotland.....	570,913	....	....
Shanghai.....	250	....	....
Smyrna.....	5,710	....	....
South America.....	....	300	....
St. Jago.....	1,120	....	....
St. Jago de Cuba.....	2,380	....	....
St. Johns, P. R.....	9,435	....	....
St. Lucie.....	150	....	....
St. Thomas.....	3,819	....	....
Stockholm.....	....	41,460	....
Surinam.....	505	....	....
Trinidad.....	1,480	....	....
Turk's Island.....	42	180	....
Venezuela.....	12,223	204	....
West Indies (British).....	65,907	16,743	88
“ “ (Danish).....	31,929	3,135	....
“ “ (Dutch).....	4,751	1,850	....
“ “ (French).....	6,757	950	....
“ “ (Spanish).....	....	9,103	....
Total gallons.....	17,056,049	4,335,389	130,683

WOOL IN MICHIGAN.

The Detroit *Free Press* gives the following well prepared summary of all the wool purchased, carded, or manufactured in Michigan for 1862 and 1860:

ON THE LINE OF THE MICHIGAN CENTRAL RAILROAD.

Counties.	1862.	1860.	Increase.
Cass.....pounds	44,556	40,988	3,568
Calhoun.....	637,864	337,921	299,883
Kalamazoo.....	300,209	231,241	68,968
Jackson.....	733,737	366,494	267,243
Washtenaw.....	965,585	697,544	268,941
Van Buren.....	35,256	16,363	16,892
Berrien.....	49,263	38,462	10,841
Total.....	2,776,409	1,831,031	935,396

ON THE LINE OF THE MICHIGAN SOUTHERN RAILROAD.

Counties.	1862.	1860.	Increase.
St. Joseph.....pounds	210,778	160,822	49,956
Branch.....	200,962	158,127	42,835
Hillsdale.....	289,047	266,718	22,335
Lenawee.....	670,327	664,189	6,138
Monroe.....	88,487	58,058	20,426
Total.....	1,459,601	1,307,914	141,690

ON THE LINE OF THE DETROIT AND MILWAUKEE RAILROAD.

Kent.....	168,483	Genesee.....	331,381
Ionia.....	198,828	Oakland.....	463,616
Clinton.....	20,245		
Shiawassee.....	202,644	Total.....	1,404,197
Brought by wagon to Detroit.....pounds			373,245
Brought by vessels to Detroit.....			17,049
Carded and manufactured in the several counties..			180,779
Macomb County and St. Clair.....			359,623
Total.....			929,714

SUMMARY OF THE WHOLE RETURNS.

Wool in pounds on line of Central Railroad.....	2,766,409
“ “ Michigan Southern Railroad.....	1,459,601
“ “ Detroit and Milwaukee Railroad.....	1,404,197
“ “ all other sources.....	929,714
Grand total.....	6,559,921

THE COAL TRADE.

The coal trade to July 11th sums up as follows, compared with last year :

	1862.	1861.
Philadelphia and Reading Railroad.....	998,769	1,554,645
Schuylkill Canal.....	377,938	333,385
Lehigh Valley Railroad.....	381,927	687,907
Lehigh Canal.....	216,256	243,966
Scranton, South.....	361,891	436,175
Scranton, North.....	147,404	152,397
Pennsylvania Coal Company.....	114,324	183,303
Delaware and Hudson Company.....	111,187	261,697
Wyoming, South.....	126,967	172,480
Wyoming, North.....	14,101	21,400
Broad Top.....	144,535	152,786
Shamokin.....	79,938	110,659
Treverton.....	30,070	30,130
Sh. Mt., H. T.....	40,824	24,144
Lykens Valley Coal Company.....	24,988	16,524
Total.....	3,171,119	4,381,598
		8,171,119
Total increase in 1863 up to July 11.....		1,210,479

From the above we see that there has been an increase of 1,210,479 tons of coal this year as compared with the same period in 1862.

This immense surplus cannot, under any circumstances, be absorbed by the government in furnishing supplies for the navy, or in meeting increased exigencies of manufacture. It is doubtful whether a much larger amount is required for the former purpose than was taken last year, when our steam naval armament was upon nearly as extensive a footing as at present; and we all know the consumption for manufacturing purposes, owing to the suspension of our cotton mills, has largely fallen off this season. In fact, this increased production is not so much owing to an increased demand as to the greatly enlarged facilities for mining, of a mechanical description, which have lately been carried into effect; and hence the pretended danger of a scarcity of this commodity is merely one of the customary expedients got up by trade combinations to keep up prices, when in the natural course of events they would be certain to fall.

The truth undoubtedly is, there was much danger of an over-production in this branch of industry, and the supply was considerably ahead of the demand when General Lee marched his army across the Northern border—without, however, in any manner threatening the mining interest, as he had plenty of “other fish to fry.” Hence with a stock on hand which would otherwise, at this season, have speedily brought down the market—which retailers throughout the country were daily expecting, and for which they were persistently holding off instead of laying in their supplies—this raid furnished the mining combination a most opportune pretext for suspending operations for awhile, and playing a bold game of bluff by pretending to shut down upon the trade. By this artifice they expected to accomplish the triple purpose of preventing too great an accumulation of stock, of keeping prices up when they ought to go down, and of inducing the trade to bite sharply and buy freely when the embargo was removed.

How far they have attained these ends the public well know. The stocks of retailers, who have been disappointed in securing their customary supplies at reasonable rates, are generally very low, and consumers are obliged to pay the highest rates of last winter. The official bulletin of the combination which announces the re-opening of the market in Philadelphia, also promulgates their gracious permission for dealers to purchase cargoes at former prices, with the *addition* of the advanced freight charge from the Schuylkill mines over the Reading Railroad. But why this advance in freight? To be sure it has been made sometimes in former years on the plea of protecting dealers who bought their supplies early in the season, at higher prices than are current in midsummer. But, this year, those who laid in their stocks early are the fortunate ones, and need no protection. We think, however, there must be a better time coming. With such an increase in supply there certainly can be no danger of scarcity, and prices must take a tumble as soon as that fact becomes apparent.

JOURNAL OF MINING, MANUFACTURES, AND ART.

MANUFACTURERS OPPOSITION TO THE INCOME TAX.

WHY is it that all the world goes to Chicago to hold conventions? The manufacturers feeling themselves aggrieved by the income tax have lately been there, held a convention, passed resolutions, and gone home. Western members of the craft were not very largely represented, as they are probably but slightly affected by the provisions of the internal revenue law.

As to the resolutions passed they are certainly plain spoken, and to the point. The Secretary of the Treasury is by them politely requested to suspend the operation of the objectionable provision till the assembling of the next Congress. Such a request as this, must be based, we suppose, upon the assumption that the imposition of the tax is purely a mistake, made through the inadvertence of the last Congress, which its successor will hasten to rectify—that the framers of the law could not, in their superabundant wisdom and well-known regard for this branch of our national industry, have intended to tax the *profits* of manufacturers, after having heavily taxed the manufactures themselves; but, through carelessness, left the statute open to such a construction.

The following is the decided answer that the Department returns to the resolutions:

*Treasury Department, Office of Internal Revenue, }
Washington, June 15, 1863. }*

SIR: Yours of the 11th instant, addressed to the Honorable Secretary of the Treasury, with accompanying note from Hon. Mr. CHANDLER, your own letter to the Manufacturers' Convention, and the resolutions of said Convention, have been received and forwarded to this office. In reply, allow me to express my profound gratification at the lucid manner in which you demonstrate the justice of the law.

Rest assured that the law is not considered by this office in the light either of a mistake or an accident, and that its provisions will be neither explained away, nor its operations suspended.

Very respectfully,

EDWARD MCPHERSON.

E. B. WARD, Esq., *Detroit.*

We think another convention will now be in order, and would suggest that all taxpayers be let in, for we apprehend that manufacturers have less reason to complain than falls to the lot of many classes of business men under this tax-reduplicating dispensation. Indeed, the farther removed from the point of consumption any class may be, the lighter its burdens, as a general thing, under the practical workings of the system; so that those who stand at the source of supply, whence the stream of taxation swells and gathers strength in its downward course, are really least affected by it. Like importers under the tariff system, whose individual contributions to the pub-

lic revenue seem to be enormous only at first sight, the manufacturers are really the most disinterested persons in the community so far as the tax upon their products is concerned. There is not even a division of this tax between the producer and consumer; but the whole of it, both specific and ad valorem, is invariably added to the prime cost of the manufactured article, and ultimately falls either wholly upon the consumer, or is partially shared by the retailer—who of all others should be exempt from any portion of it, since he stands in the gap between the government and his customers and guaranties to them that the former has no lien upon his goods, and that all excise duties accruing upon them have been honestly paid.

The income tax complained of is really the only government charge in any shape which touches the pockets of manufacturers; and the public treasury will undoubtedly derive a considerable revenue from this source, as their profits have been enormous during the year past. With a tariff which shuts out foreign competition, and gives them a virtual monopoly of the home market—such as this great interest has always sought for and at last obtained—it seems to us, so long as the government must needs rely in a great measure upon the productive industry of the country for support, that a class so peculiarly favored, in the abundance of their prosperity, will not generally object to rendering this ample *quid pro quo* in the present emergency of our national affairs. If they seek to evade it, it is to be feared their example may have a bad influence upon other classes, less interested, perhaps, in sustaining the government.

LEATHER CLOTH.

On the subject of leather cloth the *London Times* has the following:—

“The recent continuous increase in the price of leather has naturally directed the attention of practical chemists to the best methods of perfecting the imitations which, under the name of leather cloth, are now so largely used as substitutes for leather itself. The improvement in this branch of manufacture has been so steadily progressive that the original standard taken for imitation—the American leather cloth—has been long since surpassed, and it is, perhaps, not too much to say that the art of making artificial leather has now attained a perfection which promises to make the imitation a better, and, though cheaper, a more valuable article than that which it imitates. Among the many new processes and inventions shown in the late Exhibition, there was no lack of English representative of this rising branch of manufacture, striving to displace the American fabric. Nearly all these, however, were too much like the Transatlantic article to be successful. With its merits they reproduced its grave defects—the liability of the varnish to crack, the colors to fade, and the material itself to wear out fast as compared with real leather. One series of specimens, however, in this class attracted a good deal of attention, though they failed to attract a medal. These specimens were shown by Mr. SZERELMY, a gentleman well known for his most curious chemical discoveries in hardening wood, stone, and paper; and, to the present time, the most successful of all the many competitors for preserving the House of Parliament from further decay by indurating the surface of the stone with a fluid silica, which, it is asserted, renders the stone beneath perfectly indestructible. The leather cloth of

Mr. SZERELMY has grown in reputation, till it now promises to become a most important manufacturing discovery, since, while the cloth thus prepared possesses all the best attributes of leather in great strength and durability, it has other and special advantages of its own, which even the advocates of the famous virtues of leather have never claimed for it—namely, complete impermeability to water, a flexibility and softness equal to a woollen fabric, and a cheapness which makes its cost one-third that of real leather. Thus, a good calf-skin costs from 10s. to 14s., and yields leather for three or three and-a-half pairs of boots; whereas six square feet of the calf-skin leather cloth yields materials for five or six pairs of boots, and costs only about 4s. 6d. Such an important difference and saving as this ought to satisfy any inventor; but even more than this is claimed for the 'panonia,' in its capability of being produced in any quantity at a few days' notice, and in sizes only limited to the size to which the fabrics can be woven, on which the composition is laid. The nucleus of a factory has been established at Clapham, where the leather is now made, and where a company is about to construct large works, and carry on the manufacture on the most extensive scale. The fabric used in the manufacture is entirely according to the kind of imitation leather wished to be turned out. Thus 'moll'—a very thick, soft kind of cotton fabric, made at Manchester—is preferred for calf-skin; fine calico or linen for waterproof material for macintoshes, siphonias, etc., as perfectly waterproof as india-rubber itself; and alpaca, silk, cloth, or common cotton for boots and shoes, bookbindings, harness, carriage-furniture, and all the thousand purposes to which real leather is applied. What the composition of the pigment is which in a few hours changes common cotton into a substance like enamelled leather, and only to be distinguished from the real article by its non-liability to crack, and its greatly additional strength, is of course a strict trade secret. The mode of manufacture, however, is simple. The fabric to be converted into leather, silk, alpaca, or whatever it may be, of any length or width, is merely wound on rollers beneath a broad knife-blade, which by its weight presses in and equally distributes the pigment previously placed upon it. A hundred yards may thus be done in a single minute, and in this most simple application the whole manufacture begins and ends, except that three coats of the pigment are necessary to perfect the leather, and an interval of twenty-four hours must elapse between the application of each. During this period the sheets are carried to a drying-house heated to a temperature of 94°, and where they are hung like oil-cloth, according to the order in which they arrive, the last comers displacing those which have completed their time, and are ready for their second coat. Thus the manufacture never stops, and three days suffice to complete 'hides' of any length or breadth to which fabrics can be woven. For imitations of morocco or other marked leathers the long sheets are simply passed, when finished, through iron rollers, which indent them in any pattern required. For enamelled leather the enamel is applied after the third coat by hand-labor, which, though slower, of course, than that of machinery, is nevertheless rapid enough to cover the sheet in a very short time. The enamel, when dry, is infinitely superior to any description of patent leather. It is, perhaps, scarcely necessary to state that the pigment which transforms the cotton into leather is capable of being tinted to any shade that may be wanted of red, green, brown, black, blue, yellow, etc., and that whatever are the ingredients of the composition no admixture of india-rubber or gutta percha forms part of it, inasmuch as the leather cloth, when

complete, even when folded and exposed to considerable heat, is entirely free from the tendency to stickiness, which has been the great objection to all waterproof material."

HOW TO PROTECT THE BOTTOMS OF IRON SHIPS OF WAR.

Since the application of iron to shipbuilding numerous preparation have been invented to protect the bottoms of iron vessels against shell-fish, seaweed, etc., but without effect. All that science has discovered in the way of liquid coating was applied to the bottoms of the *Great Eastern*, *Warrior*, *Black Prince*, and *Defense*; yet at the end of six months they were all very foul, one of them so much so that her speed, compared with that obtained on her first experimental cruise, was diminished a couple of knots. We have been as unsuccessful on this side of the Atlantic Ocean. A few months since, says the *Commercial Bulletin*, one of our new steamers, after a brief cruise, was docked at Charlestown, and below the water-line her bottom was literally covered with large oysters and other shellfish. That some persevering genius may yet discover a proper preparation to protect the bottoms of iron ships, is not impossible; but in the mean time it would be well to consider what can be accomplished with the means at our disposal. Experience has clearly demonstrated that iron ships are not adapted for foreign stations, because they require to be docked and cleaned twice a year; and docks are scarce both in the East Indies and South America, with which we have extensive commercial intercourse, and where vessels of war are always required. For foreign stations, therefore, we must have wooden vessels or iron vessels with their bottoms covered with wood and coppered in the usual style.

An intelligent shipowner who has paid considerable attention to naval affairs, states that iron vessels of war might be covered below the water-line with three inches thickness of oak, having a thick layer of felt between it and the iron, the whole fastened and set up with screw-bolts on the inside. This planking, sheathed with copper in the usual style, would be a sure protection against barnacles, etc. It would also make the vessel more compact and stronger, without affecting her buoyancy. The cost would be considerable, but as cost in our navy has always been a matter of secondary importance, when a desirable object was sought to be obtained, we do not suppose that it would interfere in this case.

The Cunard steamers, though planked with English and African oak six and-a-half inches thick, are also sheathed with American elm, three and-a-half inches thick, and are coppered over all. Such planking is stouter than that on any of our ships of war, and shows that the addition of sheathing does not impair the efficiency of the ships. The expense has not interfered in the case of the Cunard steamers, nor ought it to be taken into consideration in our own vessels of war. To avoid misapprehension, it is proper to state that the iron vessels of the Cunard line are not sheathed with wood; but as they trade between ports where dry docks are plentiful, it is not necessary, for they can have their bottoms cleaned every voyage if required.

COMMERCIAL REGULATIONS.

DECISIONS OF TREASURY DEPARTMENT UNDER THE TARIFF ACT OF JULY 14, 1862.

THE following decisions have been made by the Secretary of the Treasury, of questions arising upon appeals by importers from the decisions of collectors, relating to the proper classification, under the tariff act of July 14, 1862, of certain articles of foreign manufacture and production entered at the ports of New York, etc.:

ADDITIONAL INSTRUCTIONS.

Treasury Department, May 21, 1863.

Collectors and others are informed that this Department concurs in the decisions of the courts, that charges for transportation of goods from the interior of the country by railroad or water carriage, incurred prior to the time of exportation, cannot be added to the value of the goods for the purpose of establishing their dutiable value.

All costs and charges incidental to the shipment, such as port charges, drayage, commissions, export duty, etc., etc., (except marine insurance,) should be added to the value of any goods, wares, or merchandise in the principal markets, to fix their dutiable value.

The usual and legal rate of commissions on merchandise from Great Britain has been decided in the United States Circuit Court at New York (*BREDT et al vs. SCHELL*, collector) to be $1\frac{1}{2}$ per centum, and that of commissions on merchandise from Continental Europe, except Paris, (see same case,) to be 2 per centum. In this decision the Department also concurs.

MANUFACTURES OF COTTON.

Treasury Department, June 1, 1863.

SIR: Messrs. SHARP, HAINES & Co. have appealed from your decision assessing certain rates of duty on their importation of "ginghams and printed cottons," per ship "Oswingo," from Liverpool, which were entered at your port on the 16th February, 1863.

I am of opinion that, under the first subdivision of section 10 of the tariff act of July 14, 1862, the following rates are proper, and should be charged, viz.:

"On manufactures of cotton, etc.," not exceeding 100 threads to the square inch, etc.: Unbleached, $1\frac{1}{2}$ cents per square yard; bleached, $1\frac{3}{4}$ cents per square yard; printed, etc., $2\frac{1}{2}$ cents, and 10 per cent ad valorem.

Not exceeding 140 threads to the square inch, etc.: Unbleached, $2\frac{1}{2}$ cents per square yard; bleached, 3 cents per square yard; printed, etc., $3\frac{1}{2}$ cents, and 10 per cent ad valorem.

Exceeding 140 threads to the square inch, etc.: Unbleached, $3\frac{3}{4}$ cents per square yard; bleached, $4\frac{1}{2}$ cents per square yard; printed, etc., $4\frac{1}{2}$ cents, and 10 per cent ad valorem.

Exceeding 200 threads to the square inch, etc.: Unbleached, 5 cents

per square yard; bleached, $5\frac{1}{2}$ cents per square yard; printed, etc., $5\frac{1}{2}$ cents, and 10 per cent ad valorem.

It appears you have conformed to these schedules and rates in assessing the duty upon the importation of Messrs. SHARP, HAINES & Co., and your decision is hereby affirmed.

S. P. CHASE, *Secretary of the Treasury.*

WM. B. THOMAS, Esq., *Collector, Philadelphia, Penn.*

IRON CABLES OR CABLE CHAINS.

Treasury Department, June 1, 1863.

SIR: I have had under consideration the appeal of Messrs. WILLIAM AYMAR & Co. from your decision assessing duty, at the rate of 2 cents per pound, on certain "chains" made of wire of a diameter of one-half inch and over, under section 3 of the tariff act of July 14, 1862.

The appellants allege: "These chains are not in the form of cables, and are not imported for this use, being made of iron of much higher cost than ever used for cables, and being cut up and sold by us for cranes, pits, inclined planes, and various purposes (other than for cables) where great strength is required.

"We contend that the rate of duties on this class of chains is fixed by the act of March 2, 1861, section 7th, fourth clause of which fixes the duty, viz.: on chains, trace chains, halter chains, and fence chains made of wire or rods, one-half of one inch diameter and over, $1\frac{1}{2}$ cents per pound. Act of July 14, 1862, directs that one-fourth of one cent additional per pound be levied on chains under the aforesaid classification, making the present duty $1\frac{3}{4}$ cents per pound on chains one-half inch and upwards, etc."

The tariff act of March 2, 1861, imposes a duty on iron cables or chains, or parts thereof, $1\frac{1}{2}$ cents per pound. The act of July 14, 1862, levies additional duty of three-fourths of a cent per pound, making together 2 cents per pound; and at this rate, and under this classification, you assessed the duty on the chains in question.

The experts have decided that the goods under consideration are "iron cables or cable chains," and fit and suitable for cable purposes by description, size, and standard of quality; and if not to be used for cable purposes as applied to ships and vessels, as alleged by the importer, it can make no difference in the assessment of duty that in this particular importation they are to be devoted to other objects.

Your decision is hereby affirmed.

S. P. CHASE, *Secretary of the Treasury.*

HIRAM BARNEY, Esq., *Collector, &c., New York.*

PINE HEADINGS.

Treasury Department, June 2, 1863.

SIR: N. J. MILLER has appealed from your decision assessing duty, at the rate of 35 per cent, under section 13 of the tariff act of July 14, 1862, on certain "pine headings" imported by him, and claims "the free entry of the same as a product of lumber of the Province of New Brunswick, unmanufactured in whole, except by saws, and a hole formed by a bit for the purpose of inserting a dowel to hold the small pieces together of which the head is composed; no instrument or machinery having been used in making the heading, except a saw and bit."

By Treasury Regulation, article 921, under the reciprocity treaty between the United States and Great Britain, concluded June 5, 1854, "Articles of wood entered under these (timber and lumber) or any other designations, remain liable to duty under the existing tariff if manufactured in whole or in part by planing, shaving, turning, splitting, or riving, or any process of manufacture other than rough hewing or sawing."

The admission on the part of the appellant that holes are bored and dowels inserted, very clearly establishes that the "pine headings" in question are governed by the above-quoted regulation, and consequently subject to duty at the rate of 35 per cent under section 13 of the tariff act of July 14, 1862, which imposes that duty on "manufactures of wood, or of which wood is the chief component part not otherwise provided for."

Your decision is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

JEDH. JEWETT, Esq., *Collector, Portland, Maine.*

CIGARS.

Treasury Department, June 4, 1863.

SIR: Mr. GEORGE S. HUNT has appealed from your decision assessing duty, at the rate of \$1 per pound, and 10 per cent ad valorem, under section 1 of the tariff act of July 14, 1862, on certain cigars imported by him in the bark "St. Jago," from Havana, and claims that the cigars in question cost in part \$19 and in part \$20 per thousand, and are entitled to entry as cigars valued at over \$10 and not over \$20, and are subject to a duty of eighty cents per pound, and ten per centum ad valorem.

It appears by the invoices that the dutiable charges are not included in the prices named. These charges, however, together with the export duty, and the usual charge for commission, must be added to the total amount of the invoice, in order to ascertain the true valuation.

According to this rule, the cigars in both instances are properly valued at over \$20 per thousand.

Your decision is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

JEDH. JEWETT, Esq., *Collector, Portland, Maine.*

BARK OF THE CORK TREE.

Treasury Department, June 1, 1863.

SIR: JOHN S. BLAKE has appealed from your decision assessing duty, at the rate of 30 per cent, on certain "bark of the cork tree," unmanufactured, imported by him, per Italian bark "Anonimo," from Palermo, and claims "it to be free."

Under section 8 of the tariff act of July 14, 1862, "Corkwood unmanufactured" is liable to duty at the rate of 30 per cent ad valorem.

Corkwood is the usual and well-known name for cork tree bark, and in commercial parlance is so understood. It has been so described in invoices and entries at the custom-houses for many years, *including the case in question.*

Your decision is hereby affirmed.

S. P. CHASE, *Secretary of the Treasury.*

J. Z. GOODRICH, Esq., *Collector, &c., Boston, Mass.*

LEAD PENCILS.

Treasury Department, June 4, 1863.

SIR: Messrs. BEROLZHEIMER, ILLFELDER & Co. have appealed from your decision assessing duty, at the rate of \$1 per gross, under section 8 of the tariff act of July 14, 1862, on certain "lead pencils" imported by them, and claim to enter them at 30 per cent, "according to the 22d section of the tariff act of March 2, 1861, and section 23 of the tariff act of July 14, 1862."

The article of "lead pencils" is specially provided for under section 8 of the act of July 14, 1862, and subjected to duty at the rate of \$1 per gross.

Your decision is therefore affirmed.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

HIRAM BARNEY, Esq., *Collector, &c., New York.*

ROCK SALT.

Treasury Department, June 12, 1863.

SIR: Messrs. S. THOMPSON'S Nephews have appealed from your decision assessing duty at the rate of 18 cents per 100 pounds on certain "rock salt" imported by them from Liverpool.

The appellants claim that the "salt in question is a mineral in its crude state, and should be admitted to entry, under section 20 of the act of March 2, 1861, at 20 per cent ad valorem."

The article in question is salt, and the existing law makes no discrimination as to kind, whether course or fine, rock or lump. It is true, as alleged by the appellants, that the 20th section of the act of March 2, 1861, fixes a duty of 20 per cent ad valorem on mineral substances in a crude state, *not otherwise provided for.*

The tariff act of August, 1861, section 1, provides a duty of 12 cents per 100 pounds on "salt in bulk;" to which the act of July, 1862, section 7, adds, "on salt in bulk," 6 cents per 100 pounds.

Your decision is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

HIRAM BARNEY, Esq., *Collector, &c., New York.*

CERTAIN COTTON ENTERED MARCH 3, 1863, AND DUTY PAID ON THE SAME DAY.

Treasury Department, June 22, 1863.

SIR: Messrs. F. SKINNER & Co. have appealed from your decision assessing an additional duty of 10 per cent on certain East India Cotton "as the product of a country beyond the Cape of Good Hope imported from a place this side of the Cape of Good Hope," which arrived from Liverpool on the 3d day of March, 1863, and on which the duty was paid on the same day.

Section 2 of the act of Congress entitled "An act to modify existing laws imposing duties on imports and for other purposes," approved March 3, 1863, reads: "And be it further enacted, That section 14 of an act entitled 'An act increasing temporarily the duties on imports, and for other purposes,' approved July fourteen, eighteen hundred and sixty-two,

be, and the same hereby is, modified so as to allow cotton and raw silk, as reeled from the cocoon, of the growth or produce of countries beyond the Cape of Good Hope, to be exempt from any additional duty when imported from places this side of the Cape of Good Hope, for two years *from and after the passage of this act.*"

This question has heretofore been decided by me, and in accordance with that decision the claimant is entitled to be relieved from the imposition of the additional 10 per cent duty on the cotton imported, and you will be governed accordingly.

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

BUTTON STUFF; ENTERED BY MISTAKE, AS SILK LASTING.

Treasury Department, June 26, 1863.

SIR: Messrs. MALTBY, MORTON & Co., of Waterbury, Conn., have appealed from your decision assessing duty at the rate of 40 per cent on certain "silk lasting" imported by them, claiming to pay a duty of 10 per cent, the goods being punched, and "and only suitable for manufacture of buttons exclusively."

The appellants allege that they entered the goods in question as "silk lasting," as invoiced, in ignorance of the fact that they were "punched, and suitable for the manufacture of buttons exclusively," though so ordered by them.

The appraisers returned the goods in question as being punched "and only suitable for the manufacture of buttons."

As these facts are admitted by you, I am of the opinion the parties should be allowed to enter the goods in question at 10 per cent duty, the rate fixed by the act of July 14, 1862, on button stuffs.

I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

LOOKING-GLASS PLATES.

Treasury Department, July 2, 1863.

SIR: Messrs. A. HANLINE & SON have appealed from your decision assessing duty at the rate of 35 per cent on certain "looking-glass plates," imported in the brig "New Orleans" from Bremen, and returned by the appraisers as "cylinder glass silvered," and classified by you under the 9th subdivision of section 12 of the tariff act of July 14, 1862, which reads:

"On all articles of glass, cut, engraved, painted, colored, printed, stained, silvered, or gilded, not including plate glass silvered, or looking-glass plates, thirty-five per cent ad valorem."

The appellants claim to enter them under the 12th subdivision of same section, which reads as follows:

"On all cast polished plate glass silvered, or looking-glass plates, etc."

I am of opinion that the term "looking-glass plates," as used in the 12th subdivision, means any kind of silvered glass used as looking-glasses, although not in fact plate glass, and that Messrs. A. HANLINE & SON are entitled to enter their importation at the square foot duty, as claimed by them.

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

DECLARATION OF DESCRIPTION OF GOODS.

Treasury Department, June 26, 1863.

SIR: The following question has been presented to this Department:

If goods are erroneously described in the invoice, and an importer, in good faith, makes his declaration on entry from such invoice, is he to be held liable to pay the rates of duties prescribed for the goods as declared, or the rates attaching to the goods as imported.

Under the law the declaration of an importer as to the value of any goods, wares, or merchandise is binding upon him, but the effect of a declaration as to description or name of any goods, wares, and merchandise is not indicated in any act of Congress, except in cases of attempted fraud.

The law contemplates the exaction of duties on goods, wares, and merchandise actually imported, as classified in the tariffs.

If, therefore, upon actual examination of any imported goods, wares, or merchandise, they are found not to correspond with the description or name as stated in the invoice, and that such difference is the result of accident or mistake, and without any intent to defraud the revenue by evading the payment of the legal duties or otherwise, I am of the opinion that the proper rates of duties to be assessed and paid are those attaching under the law to goods actually imported, and you will therefore be governed accordingly.

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

DRIED FLOWERS AND MOSS.

Treasury Department, June 30, 1863.

SIR: MESSRS. HAUPT BROTHERS have appealed from your decision assessing duty at the rate of 40 per cent ad valorem on certain dried and prepared natural flowers and moss, in bunches and bouquets, and claim to enter them in part, as bouquets of dried flowers, at 20 per cent; and in part, dried flowers and moss, in bunches, at 10 per cent, and state "Our claim to have the rates for our goods in accordance to our entry for the same rest on the tariff. In the alphabetical order you will find—

" Flowers, artificial.....	40 per cent.
" All others not otherwise provided for.....	10 per cent."

Section 8 of the tariff act of July 14, 1862, levies a duty of 40 per cent ad valorem "on feathers and flowers, artificial and parts thereof, of whatever material composed, not otherwise provided for, etc."

The goods in question are natural flowers, dried and prepared, and can therefore no longer be considered, in view of the law, as natural flowers, their character as such being changed.

The experts are united in the opinion that a sufficient accessory of art is apparent in the construction of these flowers to give them an artificial character, and that, consequently, by force of the 20th section of the act of 1842, they are liable to duty at the rate of 40 per cent, as most resembling artificial flowers in the use to which they may be applied.

Your decision is hereby affirmed.

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

WOOL FROM MEXICO—PENAL DUTY, ETC.

Treasury Department, July 1, 1863.

SIR: Messrs. M. ECHEVERRIA & Co. have appealed from your decision "exacting an additional duty of \$226 67, and a penal duty of \$1,524," on certain wool, imported by them in the British brig "Veteran" from Matamoras, Mexico, alleging "that the appraisement in question is erroneous, and was made on insufficient and erroneous evidence, and on erroneous judgment of value, and we claim that the invoice value of the goods is correct."

In this case the invoice value of the wool was raised by the appraisers; the importers called for a re-appraisement; and duties were levied in accordance with said re-appraisement, *which is final under the law.* (Section 17, act of 30th August, 1842.)

Your decision is hereby affirmed.

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

WOOLEN RAGS, FROM CANADA.

Treasury Department, July 1, 1863.

SIR: Mr. THEO. O. DUDLEY has appealed from your decision assessing duty at the rate of 10 per cent ad valorem on certain woollen rags imported by him from Canada.

Under the reciprocity treaty between the United States and Great Britain, concluded June 5, 1854, "rags," the product of the British Colonies, are entitled to free entry.

As the term is used without qualification, I am of the opinion it must be held to embrace every description of "rags," provided it be established that they are the product of the British North American Provinces.

Your decision is hereby overruled.

S. P. CHASE, *Sec. of the Treasury.*

P. M. CRANDALL, *Collector, Rochester, New York.*

Treasury Department, June 16, 1863.

SIR: I have considered your report of the 6th April on the claim of Messrs. CAMPBELL & THAYER, for drawback of duty exacted under the 14th section of the tariff act of July 14, 1862.

The 4th section of the act of August 5, 1861, provides that "there shall be allowed on all articles wholly manufactured of materials imported, on which duties have been paid, when exported, a drawback *equal in amount* to the duty paid."

In all previous drawback laws where restrictions were intended to be imposed, such restrictions have been expressed in the text of such laws. There being no such restrictions in the several drawback laws at present in force, I am of the opinion that the parties are entitled to a drawback of the whole amount of duties paid by them on the importation, subject to the usual deduction, and you are hereby authorized and instructed to allow the same.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

HIRAM BARNEY, Esq., *Collector, &c., New York.*

MERCANTILE MISCELLANIES.

POSSESSION OF THE MISSISSIPPI BY THE UNION FORCES.

VICKSBURG was occupied by the Union forces under General GRANT, July 4, 1863, and Port Hudson was occupied by General BANKS and the army under his command, July 9th, 1863. The surrender of these two places has given the United States control of the Mississippi, and trade between the West and New Orleans can be again, in a great measure, resumed.

But the chief value of these victories consists in the fact that, by reason of them the States in rebellion have been greatly reduced in extent and resources. Thus, so far as land is concerned, it will be found that the Confederacy is now cut into two equal parts, as the following figures will show :

	Square miles.		
Area of Arkansas.....	52,198	Area of Texas	237,504
Area of Louisiana.....	41,255	Total.....	330,957

That is the territory cut off. The following is what remains :

Alabama.....	50,722	Virginia (two-thirds)	41,000
Georgia.....	58,000	Tennessee (one-half).....	22,800
Mississippi.....	47,156	Florida (two-thirds).....	40,000
South Carolina.....	29,385		
North Carolina (four-fifths)	40,600	Total.....	329,663

From the above it will be seen that there are about 330,000 square miles in each section.

Then, too, on the question of resources, the following statement of the live stock and certain agricultural products of Texas, Louisiana, and Arkansas in 1860, will be found of interest :

LIVE STOCK.

	Arkansas.	Texas.	Louisiana.	Total.
Horses . . number	101,249	320,621	79,068	518,938
Mules.....	44,158	63,000	92,259	199,417
Cows	258,873	598,086	130,672	887,631
Oxen.....	70,944	172,243	61,008	304,195
Other cattle....	318,355	2,733,267	329,855	3,381,477
Sheep.....	202,674	783,618	180,855	1,167,147
Swine.....	1,155,379	1,368,378	642,855	3,166,612
Value.....	\$43,061,805	\$52,892,934	\$24,751,822	\$120,706,561

CERTAIN AGRICULTURAL PRODUCTS.

	Arkansas.	Texas.	Louisiana.	Total.
Ginned cotton bales	367,985	405,100	722,268	1,494,803
Tobacco lbs.	999,757	98,016	40,610	1,137,373
Rice.....	215	25,670	6,455,017	6,480,902
Oats.....bush.	502,866	988,812	65,845	1,557,523
Indian corn.....	17,758,665	16,521,593	16,205,857	50,486,114
Rye.....	77,869	95,021	12,789	185,679
Wheat.....	955,298	1,464,273	29,283	2,428,854
Molasses.....galls.	.....	368,937	14,535,157	14,924,094
Sugar.....hhds.	.....	590	297,810	298,456

From these figures we see that this section raises one quarter of the cotton crop of the United States, and furnishes almost the entire Southern supply of sugar and molasses, while its live stock has been during the war an unfailling resource to the Confederacy.

But perhaps a greater loss than any other that the Southern cause has suffered by reason of the late victories, is the contraband foreign trade that has been carried on across Texas through the Mexican ports. This can now be stopped.

GREAT NAVAL FEAT.

The proximity to our shores of the pirate Alabama, prevented us a few weeks since from duly reporting the accomplishment of a naval feat unparalleled in the constructing history of the United States army. It was nothing less than the building of an iron-clad vessel-of-war for the the protection of the coast of California, and the subsequent separation of her different sections, and their shipment for San Francisco. Had the Alabama and the Tacony been aware of the fact they would probably have watched the vessel carrying the iron-clad; but even then they would find her minus some of her most important parts, which were sent overland. The name of the iron-clad is Comanche. She was built by the Messrs. SECOR, of Jersey City, Senator RYAN of California, being one of her chief contractors.

The process of taking a ship apart was never attempted in this navy before, and was eminently successful in this case, every bolt being put in its place before a single particle of the hull was taken down. When the different portions of the work of building were finished, the Comanche, resting on the stocks in Jersey City, presented the appearance of an ERICSSON battery almost ready for service. Rear Admiral GREGORY inspected the hull before its separation, and reported to the Navy Department the complete success of the experiment. Orders to take the vessel apart were then issued by Mr. BIRKBECK, who superintended the construction of the ship, and the thing was no sooner said than done. A vessel was then chartered to carry the divided battery to Mare Island Navy Yard, where her guns will be mounted and her commission filled in the service of the United States of America.

The following is a brief description of the Comanche: Extreme length over armor, 200 feet; extreme length of boat proper on water line, 190 feet; length outside of stern and stern posts, 159 feet; extreme beam over armor, 48 feet; breadth of beam of boat proper (mould,) 37 feet 8 inches; depth of hold amidships, from top beams to skin, 11 feet 10 inches; crown of deck amidships, 5 inches; shear of deck measured on gunwale, 12 inches; distance from stern to extreme end of boat proper, 10 feet; distance from stern to extreme end of armor forward, 16 feet; distance from stern post to extreme end of boat aft, 20 feet 3 inches; distance from stern post to extreme end of armor aft, 25 feet.

The keel is of the best quality flange iron, three-quarters of an inch thick butted and strapped every six feet, and hollowed out four inches deep and eighteen inches wide, forming a "water limber;" the fore and aft vessel straps are three-quarters of an inch thick, eight inches wide, and thoroughly fastened with four rows of seven-eighths inch rivets. The fore and aft center keelson is formed of plates 62 inches wide, one-half inch thick, and 71½ inches long, and well bound with angle iron.

Around the outside of the vessel, and in plane with the hip portion of the hull, there is a horizontal armor shelf, 46 inches amidships, diminishing by a fair line to 32 inches wide near the ends.

The side armor, which is fastened to the wooden bulwarks, is composed of five courses of plates, measuring five inches in thickness. The armor extends $3\frac{1}{2}$ feet below the water line all round the vessel, projecting 3 feet 8 inches beyond the hull.

The turret is 21 feet internal diameter, 9 feet high, and composed of 11 plates in thickness, which measure together 11 inches through. These plates are applied in 20 sections, and join vertically, in such a manner that there is only one joint at any one place. The top of the turret is formed of wrought iron plates, one-half inch thick, resting on forged beams and railway bars, placed 3 inches apart, inside the turret. In the center of this plating is a circular aperture 6 feet in diameter, over which the pilot-house of equal diameter is placed.

The engines consist of two cylinders 40 inches in diameter and 21 inches stroke combined in one piece and supported by a strong frame cast in one piece, firmly secured to the wrought iron kelson. The blower engines and blowers are of greater size than those of the Monitor, and instead of being placed in the engine-room are applied under the turret for the purpose of drawing down the cold air through the turret roof and forcing it into the boiler room and other parts of the vessel.

Two boilers on Martin's plan are attached, of 10 feet face, 9 feet 3 inches high, and 12 feet 6 inches long, with 3 furnaces in each. The propeller is made of cast iron, 12 feet in diameter and 15 feet pitch.

CALIFORNIA GUNPOWDER.

The Santa Cruz powder mill is the work of a joint stock company, composed of capitalists residing in San Francisco, who have invested so far \$100,000 for its completion.

The site comprises 150 acres. The water is brought by flume 2,200 feet, then by tunnel, through hill, of 1,200 feet—300 of which is done. Fall of water 54 feet. Power calculated to be 376 horse-power. The amount of water flowing, sixty-two and one-half millions of gallons every twenty-four hours. The machinery will be driven by six central discharge wheels. The machinery in the cooper shop will be driven by steam power. The buildings will be 25 or 30 in number, of which there will be the coal house, for charcoal purposes; the refinery, for refining saltpetre; the pulverizer, for preparing the charcoal and brimstone; the wheel mills, for grinding the powder; and coining mill, for graining the powder; the press house, for pressing the powder; the glazing mill, for glazing purposes; the dry house, for drying powder; the dust house, for sifting and separating the different sizes of powder; the pack house, for packing purposes; the cooper shop, for making kegs. The balance of the building will be used for store-houses and other minor purposes.

The charcoal will be burnt from the willow and alder growing contiguous to the mill site. The saltpetre will be imported in a crude state from Calcutta, and refined at the mill. The sulphur will be brought from the lower country in a crude state, and will also be prepared at the mill.

PRICES IN NEW YORK AND RICHMOND.

The following interesting table has been compiled in one of the public departments at Washington:

	Average price in New York.		Average price in Richmond.		Pro. diff. as 100 to
Bacon, per lb.....	5½	@ 7½	\$1 45	@ 1 50	2.289
Hams, per lb.....	10	@ 11½	1 55	@ 1 60	1.465
White beans, per bush....	\$3 30	@ 3 40	18 00	@ 20 00	567
Butter (good,) per lb.....	21	@ 22	1 75	@ 2 00	872
Beeswax, per lb.....	45	@ 46	2 00		439
Corn, per bush.....	65	@ 72	9 50	@ 10 00	1.423
Adamantine candles, per lb.	19	@ 22½	4 50	@ 5 00	2.289
Coffee, per lb.....	29	@ 35	3 75	@ 4 00	1.201
Dried apples, per bush....	1 65		10 00	@ 11 00	636
Peaches, per bush.....	2 86	@ 3 08	15 00	@ 16 00	522
Flour, per bbl.....	5 40	@ 9 00	31 50	@ 35 00	462
Flaxseed.....	2 40	@ 2 50	7 00		286
Hay, per 100 lbs.....	80	@ 90	8 00	@ 10 00	1.059
Hides (dry,) per lb.....	19	@ 23	1 55	@ 1 60	750
Lard, per lb.....	9½	@ 10	1 50	@ 1 55	1.584
Leather (sole,) per lb.....	27	@ 29	3 50	@ 3 75	1.295
Leather (upper,) per lb....	32	@ 34	5 00	@ 5 50	1.591
Lime, per bbl.....	1 00		10 00		1.000
Molasses, per gal.....	34	@ 43	8 25	@ 8 50	2.175
Oats, per bush.....	70	@ 76	5 50	@ 6 00	788
Potatoes (Irish,) per bush ..	60	@ 90	10 00	@ 15 00	1.666
Peas, per bush.....	1 00	@ 1 05	12 00	@ 15 00	1.317
Rye, per bush.....	1 02	@ 1 05	7 00		671
Rice, per lb.....	5½	@ 8½	18	@ 20	276
Timothy seed, per bush....	2 00	@ 2 25	7 50		353
Clover seed, per bush.....	4 48	@ 5 18	24 00	@ 25 00	507
Salt, per bbl.....	2 50		126 00		5.040
Sugar, per lb.....	10½	@ 15	1 50	@ 1 60	1.216
Wheat, per bush.....	1 08	@ 1 32	6 50	@ 7 00	562
Whisky, per gallon.....	45	@ 46	25 00	@ 35 00	6.593

Cotton in Richmond, 50 @ 55 cents per pound; in New York, 57 @ 90 cents—proportion as 100 to 140.

Thus on 81 articles the average price is greater in Richmond than in New York, as 100 to 1.314.

VALUABLE AND IMPORTANT DISCOVERY IN CONNECTION WITH THE BIBLE.

The New York correspondent of the Boston *Journal* thus refers to a copy of the New Testament written within 200 years after the birth of Christ:

Much has been said of late concerning the *Codex Sinaiticus*, one of the oldest manuscripts of the Greek Scriptures, discovered a few years since by Prof. TISCHENDORF, in the monastery of St. Catherine, on Mount Sinai. A portion of it was published by him, in lithographed *fac simile*, in 1846. The whole has now been published under the patronage of the Emperor of Russia. A verbal *fac simile* of the New Testament, with the Epistle of

Barnabas, and fragments of the Shepherd Hermas, has been received at the rooms of the American Bible Union. It belongs to the age of the celebrated Vatican manuscript, with which it agrees in its essential characteristics.

The famous professor to whom the discovery of this valuable work is due is a Russian. He set out on a tour of philosophical discovery. He came to the Monastery of St. Catherine, and found in the possession of the monk, under the shade of Mount Sinai, this ancient and important manuscript. He tried in vain to get hold of it. On his return to Russia, he enlisted the patronage of his illustrious master, the emperor, on his behalf, and by his order made another tour, which was a successful one, for he brought away the long sought and valuable prize. It was immediately put to press, and under the authority of the emperor, was printed word for word. It is one of the oldest versions in the world. It runs back to within 200 years of the time of our Saviour. It would seem to settle the question about the Epistle of Barnabas, as that epistle makes a part of the New Testament as thus found. The form of the letters fixes the time the book was written.

This copy, which I have seen, is an exact reprint of the original. Fifty copies of the work are to be photographed, with every blot, stain, and mark found in the original. This will be sent by his imperial majesty to the principal libraries of the world.

NEW RATES OF POSTAGE IN THE UNITED STATES, JULY 1, 1863.

In our July number we gave the new Postage Act complete. The following will be found to be a complete summary of the changes made by it in the rate of postage: Letters are unchanged; but when prepaid, as heretofore, will be delivered free, without any fee to carriers.

NEWSPAPERS, QUARTERLY IN ADVANCE, CLASS NO. 2, TO ANY PART OF U. S.

	Weekly.	Semi-weekly.	Three times a week.	Six times a week.	Seven times a week.
Four ounces or less.	5c	10	15	30	35
Over 4, not over 8 oz.	10	20	30	60	70
Over 8, not over 12 oz.	15	30	45	90	\$1 05
Over 12, not over 16 oz.	20	40	60	\$1 00	1 40

The papers six times a week have heretofore been called daily, but those having a Sunday issue are now the dailies. The above are the rates per quarter, but may be paid yearly in advance, if preferred.

TRANSIENT MATTER, CLASS NO. 3.

Unsealed circulars—	Cents.
One and not over three to one address.	2
Over three, not over six.	4
Over six, not over nine.	6
Over nine, not over twelve.	8
Miscellaneous packages.	Unbound. Books.
Not over 4 oz. weight.	2c 4
Over 4, not over 8 oz.	5 8
Over 8, not over 12 oz.	6 12
Over 12, not over 16 oz.	8 16

In this class of unbound miscellaneous packages will be placed proofs, manuscripts for books, cards, samples, cuttings, roots, and all other similar articles allowed in the mails.

THE MERCHANTS' MAGAZINE

AND
COMMERCIAL REVIEW.

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THE
MERCHANTS' MAGAZINE
AND
COMMERCIAL REVIEW.

SEPTEMBER, 1863.

DISINFECTION OF VESSELS.

BY A. N. BELL, M. D.,

LATE P. A. SURGEON U. S. NAVY.

INFECTION is a poisonous emanation of organic matter in a state of putrefaction. The chief sources of putrefying organic matter consist in *still* air, moisture, darkness, and warmth; and these are the conditions of all the most fatal epidemic diseases.

The existence of organic matter in the atmosphere is universal. It is every where the product of combustion and decay, and is given off by all animals in respiration. The smoldering alluvium of a tropical delta, bedarkened by a thick-leaved vegetation and immersed in an almost perpetual fog, is, of all places, most prolific of infection. The putrefying mass is also a hot-bed for the production of innumerable species of short-lived *fungi*, and the myriad spores of these commingle with the putrid emanations. The varying conditions of climate and season render these emanations insignificant at one time, but deadly at another; and in this latter case persons are not only liable to immediate danger from respiration, but their clothing, the material of commerce, the bulkheads of vessels—furniture and cargo—are all subject to the pervading infection. The material of commerce thus infected become *fomites* or retainers of infection, liable not only to communicate disease to persons in their proximity, but to become the *leaven*, as it were, of new places possessed of the fitting conditions of climate and domicile. The processes of life, death, and decomposition are accommodated to the whole of Nature's domain. Latitude, elevation, nature of the soil, degree of cultivation, relative position in regard to mountains, forests, rivers, etc., and general aspect of the neighborhood, all modify the conditions of the atmosphere and man's liability to pervading influences. It is just as natural that stagnation, dampness, darkness, and high tempe-

nature should cause disease and death, as that a free circulation of pure air, light, dryness, and moderate warmth should promote health and long life. And it is, also, just as natural that there should exist conditions favorable to death and putrefaction, as that there should exist conditions favorable to vitality and health. The qualities of all natural phenomena have certain operations, each peculiar to itself, yet all in harmony with every other. We cannot prevent the dews of heaven, nor the heat of the sun, nor the processes of decomposition; but we can understand the course and order of natural phenomena, we can trace out the laws that govern them and ascertain our relations to them. And if we apply our knowledge of the laws of organization in tracing the causes of ill health, it will enable us to escape all such diseases as spring from ignorance and misconduct.

Pure air is nature's first great disinfectant, which, were it fully and constantly accessible, would altogether prevent noxious emanations, partly by its dispersion of matter and partly by its chemical properties; tending constantly to dilute, disperse, and decompose all pernicious emanations from whatever source. But it was surely never intended by the Creator that an important natural phenomenon—the transition of matter—should either cease or be materially modified for the special benefit of one particular race of his creatures. On the contrary, it is manifest that there are many places both natural and artificial to which a sufficient supply of pure air for disinfection is inaccessible. The winds from the direction and in the immediate vicinity of such places are in some degree like the Simoon of Africa and the Sorocco of Italy—they are loaded with dangerous emanations from the localities over which they have passed. As a general rule, it is unsafe to be within two miles to the leeward of vessels or places known to be infected.

It is a common impression that because of the natural tendency of gases to rapidly permeate each other and become equally diffused, that, therefore, simple exposure to the atmosphere necessarily overcomes infection. This is only true to a limited extent. If infection were a *gas* it would doubtless be wholly true; but the putrefying particles of organic matter, though light, are nevertheless heavier than atmospheric air, and their tendency is, in consequence, to occupy the lower strata. Hence the holds of vessels, from the very nature of their structure, cannot be so freely exposed to the atmosphere as to disinfect them, except at very long periods of time. The effect may be speedily manifest, or an indefinite length of time may elapse, according to the conditions of the atmosphere and the state of the vessel favorable or otherwise to putrefaction, and the danger still exist. Under these circumstances and climatic condition favorable to the spread of infection, it is manifestly absurd to undertake to limit the period of time by days when an infected ship or cargo may be admitted to pratique. Yet this is the common practice of quarantine. The following examples fell under my observation last summer. The steamship *Khersonese* arrived at New York, August 17th, four days from Bermuda, a healthy port. She had been in quarantine at Bermuda twenty-four days and had lost in all since leaving Nassau, an infected port—her last port of departure—some six weeks before her arrival here, ten persons with yellow fever. On arrival she had no sickness on board, but, having had it, she was "fumigated" and allowed anchorage at upper quarantine. Three days afterwards she had a case of yellow fever. Fifteen days afterwards, and after she had discharged ballast and taken in cargo, she had two other cases. She shortly afterwards de-



parted. The steamer *Dispatch* arrived August 29th, four days from Nassau. She had lost five men by yellow fever, and on arrival had four cases. She was repeatedly "fumigated," the hatches kept off and part of her cargo taken out at lower quarantine. No new case having occurred, after two weeks detention she was permitted to go to upper quarantine, discharge balance of cargo, and reload. September 29th, just one month from the time of her arrival, she had a new and very malignant case, that died with black vomit on the third day.

Water, next to air, is an important disinfecting agent. Although moisture, associated with other conditions, is rapidly promotive of putrefaction and the propagation of *fungi*, tending to perpetuate the mischief, yet total submersion involves a different train of circumstances of a far less noxious character. Organic matter by maceration in water is oxydized, and among other products nitric acid is generated, which is antiseptic. Everybody knows that if a marsh is continually submerged it is far less dangerous than when subject to ebb and flow; especially is this the case if the water is cold. If the water is warm, organic matters in a state of decay are liable to be borne off with the vapors and so become injurious. Hot water is appropriately considered under *heat*. *Soil*, too, is a certain but slow disinfectant. The interment of *fomites*, like maceration in water, can be practiced only to a limited degree.

Cold, when of sufficient intensity, is a powerful disinfectant and antiseptic. The iced-up animals of the frigid zone are an example. And the recurrent seasons of winter, it is well known, effectually arrests epidemic diseases in temperate latitudes. Infection subjected to a freezing temperature, even for a short period of time, is effectually destroyed; but the difficulty consists in the application of the necessary degree at the proper time. Infection pervades the closest textures—every seam and crevice. How is it possible in the midst of a warm external atmosphere and the waters of the gulf stream to apply a freezing temperature to the *whole* interior of a ship and cargo? Of many examples known to the writer, of the utility of artificial cold to infected vessels, the following one will suffice: April 15th, 1858, the U. S. steamer *Susquehanna* arrived at New York infected with yellow fever. After about sixty days detention, and after the weather had become very hot, she was ordered by the health officer to be broken-out for the purpose of freezing, by means of ice put on board. The experiment cost the government over \$20,000 and many valuable lives. She continued to have cases of yellow fever on board, and was not admitted to pratique until after frost in November.

It has been the common practice of the Navy Department in peaceful times to order vessels that have had yellow fever on board to lie in some northern port during the next succeeding winter. It is scarcely necessary to add that this is impracticable in time of war, and at all times to the merchant. Besides, it is of the first importance for the safety of life, that the means of disinfection should be expeditious and practicable at all seasons and places. *Infection, whenever and wherever it is found to exist, should be destroyed or avoided as speedily as possible.*

Heat is the most speedy, certain, powerful, and practicable disinfectant known to science. In Egypt the plague is destroyed by the heat of mid-summer. Putrefaction is arrested; mummies are preserved in the burning sands for an indefinite period. And in climates where epidemic diseases are most likely to prevail, they rarely do so at an average temperature above

85° Fahrenheit. Dryness doubtless has something to do with this. In tropical marshes, "a fire in the camp" is proverbial for its disinfecting properties. Nevertheless, heat appears to be equally efficacious in the form of steam and hot water. The writer of this paper has a lively recollection of an intermittent fever which he shared with two of his messmates in the ward-room of a small naval steamer, more than a dozen years ago, while far out at sea and without having had any communication with the shore to account for it. On searching for the cause, putrefying vegetables were found in the mess-lockers under the bunks of the parties affected. The removal of these and a thorough cleansing with *hot salt-water* put an effectual stop to the disease. Sausage poison, which has killed many persons in Germany, is effectually destroyed by boiling water.

Impressed with facts similar to these, Dr. WILLIAM HENRY, F. R. S., of Manchester, as long ago as the year 1824, instituted a series of experiments to test the effects of heat upon the "*contagious element*" of small pox.—Contagion is sometimes used synonymously with infection. It has, however, a different signification. The meaning of contagion is the transmission of disease from one person to another by contact: direct, as by the touch of the diseased person, or indirect, by contact with things that have been used by such person, or by breathing the air in close proximity with him. Syphilis, small pox, and typhus are examples of contagious disease; and these diseases are in a great measure independent of some of the most important conditions of infection. They are more liable to prevail in a low than in a high temperature, and in their origin chiefly depend upon filth and bad food. Persons sick with contagious disease are liable to infect surrounding things, clothing, furniture, the air of the room, etc.; but as the character of the disease continues the same, it is still denominated contagious—*communicable by persons*. Infectious disease is *not* communicable by persons, but by *things*, and a person sick with it, when divested of *fomites*, clothing, etc., can neither communicate his disease to other persons nor to other things. In this, however, they are fortunately alike: their *fomites* are equally capable of being destroyed by heat.—Dr. HENRY's first series of experiments satisfactorily established the fact "that the infectious matter of cow-pox is rendered inert by a temperature of 140° Fahrenheit," from whence he "inferred that more active contagions are probably destructible at temperatures not exceeding 212° Fahrenheit." His next series of experiments were upon the personal *fomites* of typhus and scarlet fever. Three flannel shirts, taken on three successive days from a strongly marked case of typhus fever, were subjected to 204° Fahrenheit for an hour and three-quarter. These personal *fomites* being, before the application of heat, as thoroughly charged with the contagious principle as any garment could be, were tested as follows: One was placed directly under and within twelve inches of the nostrils of a person engaged in writing, and who was excessively fatigued from previous exercise and had observed an unbroken fast for eight hours. This test of exposure was continued for two hours. The second shirt was put on and worn next to the body of a person for two hours. And the third, with the view of giving activity to any contagious matter "which might possibly have escaped decomposition," was put into an air-tight canister for twenty-six days. It was then taken out and placed within twelve inches of the face of a person for four hours, "a gentle current being contrived to blow upon him from the flannel during the whole time." *In none of these instances was the fever communicated,*

and no injurious effects were experienced. Dr. HENRY next performed a precisely similar series of experiments with the *fomites* of scarlet fever, which proved to his satisfaction "*that by exposure to a temperature not below 200° Fahrenheit, during at least one hour, the contagious matter of scarlatina is either dissipated or destroyed.*" And he remarks, "the circumstances under which the experiments were conducted render it, I think, demonstrable that the disinfecting agency belongs to heat alone; for the receptacle in which the infected waistcoats were placed, having in every instance been closed, change of air could have had no share in the effect. The phenomena, then, are reduced to their simplest form, and the results put us in possession of a disinfecting agent the most searching that nature affords—one that penetrates into the inmost recesses of matter in all its various states." Having satisfied himself in this direction, Dr. HENRY next undertook to ascertain what elevation of temperature "cotton and other substances likely to harbor contagion of the plague or typhus would sustain without injury, the heat being applied to both the raw staples and to their various fabrics. A quantity of raw cotton, subjected to a dry temperature of 190° Fahrenheit, which was steadily kept up in the inner compartment of a double vessel heated by steam during two hours, become 'fuzzy' on account of the loss of its natural moisture, and for the same cause the strength of the yarn was for the time impaired; but after being left for two or three days in a room without fire a great change had taken place in its appearance, and it was found on trial that the cotton was as capable of being spun into perfect yarn as that originally employed. On accurate trial of the twist which had been spun from it, a hank supported an equal weight with a hank of the same fineness that had been spun from cotton fresh from the bag. This fact, established by repeated experiments, proves that, with the recovery of its hygrometrical moisture, cotton which had been heated regains its tenacity and becomes as fit as ever for being applied to manufacturing purposes." A quantity of cotton yarn was tested in like manner with like result. "Articles of cotton, silk, and wool, after being manufactured, both separately and in a mixed state, into piece-goods for clothing, were submitted to the same treatment. And some of these were of the most fugitive colors and delicate textures, yet after being exposed three hours to a dry heat of 180° Fahrenheit, and then left a few hours in a cool room, they were pronounced perfectly uninjured in every respect. Furs and feathers, similarly heated, were also uninjured. In subsequent experiments the temperatures were raised forty or fifty degrees higher without injury to the fabrics."*

Dr. VON BUSCH, of Berlin, having the benefit of Dr. HENRY's experiments, in February and March, 1851, after having ineffectually made all the usual appliances—thorough cleansing, aeration, fumigation, etc.—for the purpose of disinfecting the Berlin Lying-in Hospital of puerperal fever, determined to try the effect of dry heat. All the beds, wardrobes, and hospital utensils being retained in the wards, common wood stoves were introduced, and a steady temperature of about 150° Fahrenheit was kept up for two days. The wards were immediately reoccupied by the same class of patients, with the same individual liabilities as before, and the result was found to be triumphant! The infection was destroyed and the inmates

* Philosophical Magazine, 1831-32.

were safe. A subsequent return of the disease on the following year was destroyed in the same manner.*

A striking instance of the disinfecting power of heat to a badly infected ship is referred to in Vol. VIII. of the Royal Medico-Chirurgical Transactions, as being contained in the official report of Dr. Wm. Ferguson, Inspector General and Chief Medical Director for many years in the Windward and Leeward Islands. The reference states that "the transport ship *Regalia*, being badly infected with yellow fever, while at English Harbor, underwent fumigations without the least effect in arresting future attacks or their fatality; and that it was not until after her arrival in Carlisle Bay, where she was completely cleared, and with her hatches closed, and *her whole hold exposed to the concentrated heat of many stoves, that fever ceased.*"

Dr. ELISHA HARRIS, now of the U. S. Sanitary Commission, in a paper on *The Utility and Application of Heat as a Disinfectant*, read before the Fourth National Quarantine and Sanitary Convention, Boston, 1860, states, that "During a protracted and instructive experience in the superintendence of the New York Quarantine Hospitals the following significant facts were noted.

"During a period of nearly fifty years, the washing and drying of the contaminated clothing from hospital patients and infected vessels had been performed in the ordinary way without the use of steam. The diffusion of fatal fevers from those *fomites* of infection was notorious during that protracted period. Immediately after the introduction of steam-tubs for boiling, and a steam-heated chamber for drying the clothing, and obviously as a result of those improvements, the occurrence of infectious or quarantine diseases among the washerwomen of that establishment ceased—or at least they occurred but very rarely, and then from sources to which the steam heat had not been applied.

"Early in the summer of 1856, when large quantities of dunnage were ordered to the washhouse from vessels infected with yellow fever, I ascertained that the two washerwomen who were attacked with that malady had been handling and washing various articles of clothing previous to steaming or boiling them. Though those unfortunate washers might have contracted the fever elsewhere than in the wash-room, it was deemed expedient to use greater precautions against infection, and accordingly directions were given that all clothing, both from ships and hospitals, should be steamed in the closed tube previous to being distributed to the washers. Infected dunnage and clothing continued to be received in large quantities for several months subsequent to that order, but no more cases of yellow fever occurred among the washers.

"Again, in the summer of 1859, a floating hospital was placed under my superintendence for the reception and care of all cases of yellow fever and other pestilential diseases arriving at the port of New York. The practice of burning all dunnage, bedding, and other clothing from infected vessels having obtained favor with the authorities who witnessed the same expensive and unsatisfactory process applied to the entire quarantine establishment, it had been advised that a like summary method of purification be continued in connection with the hospital ship—the famous iron scow for the burning of infected ships' clothing, bedding, and dunnage, being still in ex-

* Neue Zeitschrift Fur Geburtskunde, Berlin, 1852. Bull. de Therapeut. 1853.

istence. Accordingly, no apparatus or provision of any kind had been placed on board for the cleansing or for the reception and proper care of infected ships' clothing, nor even for the washing and preservation of the clothing of the patients and their bedding. The hospital ship had already been placed at the yellow fever anchorage—twenty miles from the city—and was awaiting the arrival of the sick with fever. Under these circumstances a wash-room was, under my direction, hastily extemporized—furnished with a copper steam-generator and capacious steam-vats, steam wash-tubs, etc. This apparatus was placed in one of the galleries that had previously been constructed upon the outside of the vessel amidship, and to the after end of each of which, entrance was made by the gangway outside, both from boats and the wards.

"Into the steam-vats was thrown every infected thing received from vessels, as well as all hospital and patients' clothing, etc., that required cleansing. All articles from infected vessels were received directly into the steam-chamber, from boats, without entering the ship itself, or in any manner exposing it or its inmates to the danger of infectious contamination; while in the wards of the hospital, a like safe regulation was adopted, requiring every article, as soon as soiled, to be removed to the steam-vats; and there all substances capable of being febrile *fomites* were instantaneously heated to the boiling point, or even a higher temperature. It will be observed that these arrangements contemplated the preservation of both the clothing and the wards from becoming *fomites* or *foci* of infection.

"The prediction having been reiterated by many persons that the hospital ship would certainly become infected, and be in itself a focus of pestilence, we are happy now to record the fact that with twelve cases of yellow fever, and with twelve cases of other maladies far more liable to personal or fomite communication, there was not an hour of sickness among all the employes of the Floating Hospital during the six months it continued in service, though the washerwomen and ten of the other employes had never suffered from yellow fever, and had no specific protection from any disease except smallpox."

The experiences of the Floating Hospital since Dr. HARRIS' superintendence have been equally favorable.

Of all *fomites* a foul ship is the most persistent and the most to be dreaded. During the summer of 1847 almost every vessel of the United States naval squadron in the vicinity of Vera Cruz became infected with yellow fever. Among the rest the steamer *Vixen* had had a good deal of river service, was very filthy, filled with vermin, and so badly infected with fever toward the latter part of the season, that all hands were constrained to sleep on deck. Though yellow fever ceased to *prevail* during the season of the northers, (the winter months,) nevertheless the crew of the *Vixen* continued to be in a sickly condition, with an occasional case of fever, sufficiently typical to remind us that "yellow jack" had not departed. Before the return of hot weather, about the first of the following May, (1848,) there being no immediate prospect of our going North, it became expedient to "break-out" as far as practicable while on sea-service, and paint ship. Previous to undertaking this, the commander, the late JAMES H. WARD, Esq., resolved on a final effort for the extermination of the vermin by *steam*. Everything susceptible of injury was taken on deck, the hatches closed, and by means of a common leather hose-connection steam was turned in below decks. This was kept up for two or three hours, so that every crev-

ice was completely permeated. After this there was a thorough scraping, whitewashing, and painting. There was an immediate improvement in the health of the crew, and not another case of fever to the end of the cruise in midsummer.

A few weeks subsequent to the steaming of the *Vizen*, the gunboat *Mahones*, Commander W. D. PORTER, Esq., having been on a surveying expedition up the Tuxpan River, returned to the anchorage at the mouth of that river, and telegraphed for the medical officer of the *Vizen* to visit the sick. *There I found three cases of yellow fever, and within a few days four others occurred.* The *Mahones* was a captured vessel from the Mexicans, had never been off the coast, and was filthy in the extreme. The salutary effects of the steaming on board the *Vizen*, both for vermin and fomites—no unusual associates, by the way—were so palpable that the same process was forthwith advised and applied, by means of the *Vizen's* engine and hose, to the *Mahones*, and, as in the first case, fever and vermin both ceased to exist—*there was not another case.* These vessels both continued on service in the vicinity of Vera Cruz until the following August, when they were sent to Norfolk and were at once admitted to pratique. The *Mahones* was there laid up until sold. The *Vizen*, after remaining three weeks without “breaking-out,” was transferred to the coast survey in the Chesapeake Bay for the remainder of the summer. In neither of these vessels was there any return of the fever.

About the same time that the *Vizen* and *Mahones* arrived at Norfolk, the frigate *Cumberland* and the steamer *Scorpion* arrived at New York. The *Scorpion* was at once quarantined on account of recent cases of yellow fever on board; and the *Cumberland*, not having had any cases since the previous season, was, after “fumigation” and a few days’ detention, permitted to go up to the navy yard to “break-out.” But scarcely had the work commenced before the yellow fever also broke out on board, and the vessel was, in consequence, sent down to quarantine and there kept until frost.

The *Cumberland* and *Scorpion* were of the same squadron as the *Vizen* and *Mahones*, were more commodious, better ventilated, and in every respect in better condition for health, *excepting that they had not been steamed.*

Deeply impressed with the benefit of heat, as applied in the cases of the *Vizen* and *Mahones*, I have frequently commended it; but until during my superintendency of the Floating Hospital last summer, I am not aware of its having been put in practice. Of all the infected vessels that arrived at this port last year, the steamer *Delaware* was probably the worst; at any rate, the malignancy of the fever from that vessel was greater than that from any other. The *Delaware* had proceeded from the Tortugas in the early part of August with invalid soldiers on board, stopped at Keywest, Fernandina, St. Augustine, and Port Royal, where, in consequence of having yellow fever on board, she was put in quarantine twelve days, and then sent to New York. She arrived here September 21st, having lost one man with the fever on the passage from Port Royal. On arrival her commander, Captain JAMES S. CANNON, and two of the crew were sent to the Floating Hospital, and within five days afterwards seven of the invalid soldiers—all well marked cases of yellow fever, and some of them so malignant as to have black vomit supervene within a few hours from the time of attack, and to die within forty-eight hours. One died on board the *Delaware* within twenty-four hours, his case being so malignant that the boarding-officer deemed it useless to transfer him. In this state of affairs, at my ur-

gent request, the remainder of the invalid soldiers (18) were transferred to the (yellow fever) Floating Hospital for safety. They all escaped the disease. And I have not the least doubt that, if all the soldiers had been removed on arrival, several lives might have been saved, instead of lost by depending upon the effects of "fumigation." During the convalescence of Capt. CANNON I recommended to him the use of steam for the purpose of effectually disinfecting his vessel. I subsequently received the following letter :

" U. S. TRANSPORT ' DELAWARE, ' }
" NEW YORK, November 30th, 1862. }

" Dr. BELL :

" *Dear Sir*—During my confinement in Quarantine Hospital with yellow fever last summer, you suggested the idea of disinfecting my vessel by steam. In accordance with the suggestion, before my recovery the engineer steamed the lower cabin, where nearly all the sick had been confined. After my recovery I more effectually steamed the vessel by closing her up below and driving the steam through her lower hold and bilges. This I did by attaching a hose to the boiler and leading it below through an aperture left for that purpose. Although we remained in quarantine three weeks after the first steaming, we had no sickness among a crew of twenty persons ; and since that time the steamer *Delaware* has been in a perfectly healthy state. After refitting, the *Delaware* was sent to Port Royal with soldiers, and encountered a heavy gale ; of course everything was damp, but no sickness occurred on board, and the troops remained perfectly healthy after landing. On my return, over a hundred invalid soldiers came North with me, but there was no sickness among them except that which they brought from the hospitals. The only injury resulting from the use of the steam was to the paint, which it stained ; and the first time, charring the leather, and the second time, melting the rubber hose. In using steam, hose which cannot be effected by heat easily ought to be provided especially for the purpose, by a copper coupling about ten feet long attached to the cock where the steam comes directly from the boiler and the heat is most intense. Much injury might otherwise result, from the cracking of the hose, if leather, or melting it, if rubber, by the escape of steam.

" I am so well satisfied of the beneficial effects of steam on shipboard, that I would be sure of cleaning my vessel of that dread disease—the yellow fever—by its use, in a very short time.

" I am, very respectfully,

" Your ob't serv't,

" JAMES S. CANNON,

" *Master U. S. Transport Steamer Delaware.*"

Such are the experiences of heat as a disinfectant. The important deductions to be made are, that a temperature of about 150° Fahrenheit effectually destroys infection. Indeed, it is safe to infer that a temperature of about 145°, which coagulates albumen, if kept up for forty-eight hours, is amply sufficient to disinfect the worst *fomites*. It has been shown, too, that heat of the necessary degree for disinfection may be made applicable in some form to almost every article of commerce without injury. Even

crude sugar will stand a temperature of 200° of dry heat for an indefinite length of time without danger of melting or other injury; while 150° is amply sufficient for disinfection. Careful discrimination in the application of heat, as of all other means to the same end, is of course requisite. The examples given are belived to be an amply sufficient guide for the application of heat as a disinfectant under the most variable circumstances.

Of the use of *chlorides*, *manganates*, and kindred chemical disinfectants (!), the writer has had abundant opportunity for observation and experiment. In November, 1847, the United States Government employed a somewhat celebrated doctor of New York to proceed and disinfect the naval squadron near Vera Cruz. He professed to use some new process; but his means was evidently a *chloride*. His first (and last) experiment was the frigate *Mississippi*, which vessel, though she had recently been broken-out, saturated with chlorine by chloride of lime, aerated and thoroughly cleansed, nevertheless continued to have cases of yellow fever until she was submitted to a northern winter. The "doctor of infection" was himself taken with yellow fever about the second week of his attendance on his first patient—the *Mississippi*; he fortunately recovered and returned home. The *Khersonese* and *Dispatch* are similar examples, but under more favorable circumstances. By the use of such means only, individuals are often beguiled into a feeling of security by trusting to *deodorants* merely, until they fall victims to a still active infection.

BROOKLYN, N. Y., August 18th, 1863.

THE VALUATION OF BOSTON.

The aggregate amount of all the real and personal estate and polls, estimated by the Assessors of the city of Boston, in the several wards, for the years 1862 and 1863, is as follows:

Ward.	1862.			1863.		
	Real Estate.	Personal Estate.	No. Polls.	Real Estate.	Personal Estate.	No. Polls.
1.	\$6,859,700	\$2,831,200	3,045	\$6,675,900	\$2,974,700	2,535
2.	4,838,600	947,490	3,528	5,408,000	727,000	3,961
3.	7,254,600	2,843,800	2,283	6,868,500	2,913,900	3,331
4.	37,261,600	38,531,500	2,755	39,324,300	40,240,300	2,760
5.	5,321,600	2,182,700	2,240	5,084,200	2,441,400	2,325
6.	26,842,000	26,617,800	2,328	23,616,200	28,948,200	2,359
7.	15,347,000	24,905,700	2,241	15,255,200	29,037,000	2,138
8.	11,193,600	4,546,100	2,149	11,232,000	5,119,700	2,243
9.	12,348,800	4,384,000	1,921	12,685,200	5,108,000	1,857
10.	7,355,500	3,088,800	2,208	7,593,900	3,218,700	2,031
11.	20,700,400	7,184,800	4,309	22,209,100	9,919,710	4,392
12.	8,709,000	2,421,100	5,032	8,817,600	2,002,200	4,503
	\$163,512,400	\$112,444,900	31,038	\$169,659,300	\$132,867,700	33,490

Total amount of real and personal estate in 1862, \$275,957,300; total amount of real and personal estate in 1863, \$302,527,000.

The rate of tax per \$1,000, for the year 1862, was as follows: City and county tax, \$8 41, State tax, \$2 09—\$10 50 per \$1,000. The rate of tax for the year 1863 is \$11 50 per \$1,000.

By the above it will be seen that there is a gain on real estate this year of \$6,146,900; gain on personal estate, \$20,422,800. Total gain, \$26,569,700. Less Polls this year, 548.

FLAX; ITS HISTORY, CULTURE, IMPORTATION, EXPORTATION, AND CONSUMPTION.

BY HON. JOHN TITUS, JUSTICE SUPREME COURT OF U. S.

(Continued from page 115.)

THE idea of reducing the fiber of flax and hemp to the consistency of cotton, is by no means new. In 1747 it was proposed to convert flax into cotton by boiling it in a solution of caustic potash, and subsequently washing it with soap. In 1775 considerable quantities of refuse flax and hemp were converted into flax-cotton at the instance of Lady MOIRA, by Mr. T. B. BAILEY, of Hope near Manchester, in England. It was done by boiling the material of the fiber in an alkaline ley, or a solution of kelp, containing carbonate of soda, and subsequently scouring it. The fiber of flax or hemp, thus freed and softened, could afterwards be carded on cotton cards. It appears that, at this time, flax-cotton was made and sold at three pence per pound. Some of it was spun into cloth for gowns and waistcoats. The spinners seem to have been hostile to it, and the poor in the North of Ireland, to whom it was supposed the invention would have been beneficial, are stated to have been indifferent to its merits. Specimens of this flax-cotton, and of the fabrics woven from it, are still preserved in the Museum of the Society of Arts.

Attempts were subsequently made in Germany, by the action of alkaline solutions, to reduce flax fiber to the consistency of cotton, which could be used, either alone or together with cotton, in the manufacture of cotton goods. There, however, as in Ireland, the manufacturers opposed its introduction, and the work-people determined not to use the material. This subject was afterwards investigated by BERTHOLLET, by GAY-LUSSAC, and by GIOBERT, who employed alternate steepings in hot solutions of soap, alkali, and sulphuric or muriatic acid; and BERTHOLLET observes that equally fine cotton is obtained from the commonest refuse tow as from the best flax.—*Jury Report V.*, p. 98.

In 1842, M. ROUCHON, of l'Ecole Polytechnique at Paris, devised a method for preparing flax, by means of immersion in a weak acid solution, for a short period, and then placing it in a mass kept moist by occasional waterings. These were repeated daily until the desired effect was produced. The flax was tied up in small bundles, and a man and a boy could manage two tons per day.—*Wilson*.

One of the most complete of all chemical methods of freeing and whitening the fiber of flax, as well as other vegetable fibers, is that of PETER CLAUSSEN, for which letters-patent were issued by the United States, June 3, 1851. The process is, as stated, applicable to all or nearly all fibrous plants, though flax and hemp are more particularly specified by the patentee himself.

The specification is cited at considerable length, because of its valuable instructions.

It commences with a preparation, made an inseparable part of it, for bleaching all vegetable productions, and fabrics composed of them, as follows: "Usually the fabrics to be bleached are first immersed in a bleaching liquor, commonly called chloride of lime, and then steeped in

a bath of water acidulated with sulphuric acid. Thus the chloride is set free, either in its simple forms or in combination with oxygen, or in chemical reunion with hydrogen of the water, and is wasted by its escape, or is rendered injurious to the fabric by remaining too long in contact with it. My process, which is as follows, keeps the whole of the chlorine, or chloric compound, in a combined state, and recovers it for future use under the name of chloro-compound—I mean an acid with a chloric base, such as chlorous or hyperchlorous acid.

"After the goods have been passed through the bleaching liquor—chloride of lime—I steep them in a strong solution of some salt, whose acid has a more powerful affinity for lime than hyperchlorous, as a strong solution of sulphate of magnesia. This new compound may be in the next instance used as a primary bleaching agent, and may again be subjected to the process of double decomposition, as in the foregoing example.

"The goods may then be steeped in a liquid solution of some carbonate or other acid, for whose base the hyperchlorous acid has a greater affinity than for the magnesia.

"Second. Another method of bleaching, applicable to fabrics made of both animal and vegetable fiber, of mine, is to take the goods steeped in any ordinary bleaching liquor, such as the chloride of lime, and while still wet with this, I expose them to the fumes of sulphur, slowly burning in a close chamber, till the bleaching agent is neutralized and the bleaching completed."

The specification then proceeds to describe the method of cleansing and freeing the fiber of flax or hemp, as follows: "I take the plant in the state of straw, divested of seeds, and steep the straw in a solution of a caustic alkali, of about one degree of Twaddell's hydrometer, and for such a length of time as may be most convenient. If dispatch is required, I use the solution in the boiling state, in which case an immersion of about six hours is sufficient.

"The solution at 150° Fahrenheit will produce the effect in about twelve hours, and so in proportion to the degree of temperature.

"The solution may be used at a lower temperature, the time being correspondingly increased; but in no case need the immersion exceed two days.

"The effect of this process is two-fold: *first*, to decompose, dissolve, or remove (more or less, as required,) the glutinous, gummy, or other matters which cement the fiber with the woody portions of the plant; and, *second*, to discharge any oleaginous, coloring, or extraneous matter contained in the straw, without allowing the matters so discharged to stain the fiber, and these results are attained by the action of the alkaline solution.

"In the process, as above described, I use a solution of caustic soda; but other alkaline liquors will answer the purpose, such as a solution of caustic potash or lime, or any substance having the power to discharge or decompose the gummy, resinous, oleaginous, glutinous, albuminous or other matters having the power to stain the fiber.

"If the fiber is required to be long, I subject the straw to a second process, for the purpose of expelling or neutralizing any of the alkali adhering to the fiber, and removing any glutinous or other matter which might stain it.

"For this purpose, I take the straw from the alkali and steep it for about two hours in a solution consisting of one part of sulphuric acid to

about from two to five hundred parts of water. Some other acid will also answer the purpose, as muriatic acid, etc., but sulphuric acid is to be preferred.

"Or, I expose the straw still wet with the alkaline solution to sulphurous acid, or the fumes produced by the slow combustion of sulphur, in a proper stove or chamber.

"In both cases the acid combines with the free alkali remaining in the straw, while an excess of the acid completes the destruction or discharge of the glutinous or other coloring matter.

"The straw is then treated or washed with water, till all soluble matters are removed.

"If the straw fiber is required to be decolorized it may be exposed to the bleaching process, which I have described, or to any other bleaching process.

"It may then be dried for breaking and scutching in any approved way.

"Passing the straw between rollers or roughly breaking it, before subjecting to the chemical agents, will facilitate their action upon it.

"If the fiber is required to be shortened, in order to be spun with cotton, wool, silk, hair, fur, shoddy, or any similar material, I divide it into proper lengths by any suitable machinery.

"I then transfer the straw or fiber to a bath containing a strong solution of bicarbonate, sesquicarbonate, or even carbonate of soda, or any other suitable material—the two first of these described classes are preferable. In this I allow it to remain for about three or four hours.

"I then immerse the materials, impregnated with the carbonaceous solution before described, for about a couple of hours in water acidulated by sulphuric acid to the extent of one part of acid to about five hundred parts of water. Or instead thereof, I expose the saturated material to the action of burning sulphur in a suitable chamber.

"In this operation it appears that a certain amount of gas, being developed in the fibrous tubes, splits them by its expansion into filaments similar in consistency to cotton and wool, in which condition they may be dyed and manufactured, *like* cotton and wool.

"The same process, only requiring longer time, will flocculate or cottonize long fiber.

"The decomposition of the bicarbonate of soda, or other suitable compound, may be effected by electricity, when a like evolution of gas and splitting of the fiber takes place.

"After splitting, the fiber should be well washed. The splitting process may be applied to the flax in the straw, the wood of which may afterwards be removed as usual, or in the state of long fiber.

"Thirdly. I manufacture a yarn which I call flax-cotton yarn, composed partly of flax fiber, prepared and cut into short lengths as aforesaid, and partly of cotton yarn, and capable of being spun on common cotton machinery.

"Also yarns composed of hemp fiber, or of jute, or of phormum tenax (New Zealand flax)—China grass excepted—prepared and cut, and cotton. Also yarns which I call flax-yarns, composed of flax cut short and prepared as stated, or any like vegetable (except China grass), and also of shoddy, and fur or hair, or partly of any two or more of the said materials stronger than yarn, composed of wood alone.

"Wools, too short to be spun alone, may be mixed with cottonized flax and thus utilized.

"Waste silk may be mixed with flax thus prepared, and utilized.

"Lastly," says the patentee, "felts of flax, as soft and fine as the best felts made wholly of wool, and more durable, may be produced by a mixture of flax fiber thus prepared and cut short and mixed with wool, fur, hair, or any other feltable material."

Such is the method of M. CLAUSSEN for preparing flax and other vegetable fibers, as stated by himself. His process, so far as it was novel and original, as claimed by himself, may be given in order to show the condition of manufacturing science and art, at the date of the letters-patent, June, 1851. The patentee claims as his own invention, or discovery—

"First, Bleaching by double decomposition, as described ;

"Second, Bleaching by the combined action of chlorides, carbonates, or any other bleaching agent, with the fumes of sulphur, as before described ;

Third, Preparation of flax, hemp, and other vegetable fiber, spinable or feltable, from whatever plant obtained, by steeping the plant in a state of straw, stem, leaf, or fiber, *first*, in a solution of caustic soda or other similar solution, and *then* in a bath of dilute sulphuric or other acid, as described.

"Fourth, Preparing vegetable fiber for spinning on cotton and silk machinery, and for combining, as stated, by, *first*, steeping in a solution of caustic soda ; *secondly*, steeping them in dilute sulphuric or other acid, or exposing them to the fumes of sulphur ; *thirdly*, saturating them with a solution of bicarbonate of soda or any other like agent, and decomposing such salt, however such decomposition may be effected ; *fourthly*, cutting the fibers into short lengths, as described.

"Fifth, Preparation of flax, hemp, and other fibers, by the described mode of splitting by gaseous expansion ;

"Sixth, Preparations of yarns and felts, from a combination of flax or other vegetable fiber (except China grass), mixed with cotton, wool, hair, fur, silk, shoddy, or any of them, as described."

Both the governments of the United States and Great Britain assented to these claims of novelty and originality, for both of them granted letters-patent to the claimant.

This invention of M. CLAUSSEN contributed largely to the existing knowledge of the susceptibilities and uses of flax and hemp, as well as other vegetable fibers. It has furnished one of the most valuable of all chemical methods of preparing vegetable fiber for the purposes stated by the inventor.

The method of M. CLAUSSEN is but an improvement of that employed in the East, in Germany, in Holland, and in England in the last century. It is simply treating the fiber, first, with an alkali, and then with an acid or their equivalents, till the cohesive matter of the filaments is destroyed or expelled. All the more complex chemical methods since employed have this common feature, which results from the cohesive substance to be treated, as ascertained by crude experiments before science had at all applied its unerring tests.

Another claim of M. CLAUSSEN, which deserves particular notice, is that of splitting flax, hemp, and other vegetable fibers till they attain the consistency of cotton. In this process the fiber, or fibrous materials, is cut or broken into short sections of any desirable length, however, for

spinning on cotton or other similar machinery. It is then immersed in an alkaline solution till fully saturated. On being immersed, while so saturated in an acid, the two substances, thus meeting in the body of the fiber, suddenly split it by the expansion, which is known to take place, in the alkaline and acidulous materials at the moment of their combination.

The method of M. CLAUSSEN is thus fully presented, not only for its own valuable instruction, but also as the best illustration of all the pure chemical methods of preparing vegetable fiber.

Letters-patent were issued by our government, Dec. 8, 1857, to I. W. BENTON and GEORGE PYE, for a process of cleansing flax, and other vegetable fibers, either separated from the boon or in the rough state. This method consists in subjecting the fibrous materials to water, impregnated with fuller's earth, and to steam, and then boiling the fibrous matters. During the boiling the material is to be closely pressed together, and then allowed to expand from time to time. The fibers thus treated are passed between pressing, and then between crimping, and again between pressing rollers. In this way the gluten and other matters which combine and harden the fiber are expelled.

In March, 1840, letters-patent were granted to SANDS OLCOTT, of Pennsylvania, for his method and mechanical arrangements for cleansing and softening flax and other fibers.

By this method the fibrous matter, in the condition of straw, is twisted into an endless rove, forty yards long and of the weight of two pounds to the yard, for example, and the ends being joined, the rove is passed between a series of rollers, with the necessary pressure as they revolve, until the boon is completely broken. The crushed fibrous material is then steeped in water until the vinous fermentation takes place. It is then well washed in clean water and subjected to a solution of chloride of lime, or any other bleaching material. During the bleaching, the fibrous material is subjected to the pressure of the revolving rollers as often as may be necessary. In order to make the fiber very fine, this method directs the endless rove, when first broken and before steeping, to be passed through a coarse hackle. For fiber of ordinary fineness this is not needed.

Finally, the fibrous material, in the same form of an endless rove, is passed between fluted rollers, revolving with the necessary pressure, till the fiber is cleaned, softened, and rendered fit for hackling and spinning. This method of Mr. OLCOTT is both chemical and mechanical.

Another method of preparing flax fiber, consists in subjecting the material, in the state of straw—the seed having been separated—to pure water at high temperatures, or to steam, with or without pressure. Such is the method employed by Mr. SCHENCK, at Newport River, County of Mayo, in Ireland, in which the steep water is maintained at a temperature of 80° or 90°, or at any temperature more favorable to the process. The temperature ought not, however, to be much above 90°, as the excess, if considerable, damages the fiber. Fine flax can thus be retted in about sixty hours, and flax of coarse qualities in about ninety-six hours, with average variations for intermediate qualities.

The buildings containing Mr. SCHENCK's vats and drying shelves are simple cheap wooden sheds. In one of these are four oblong vats, parallel to each other, the whole length of the house, each fifty feet long, six feet wide, and four feet deep. These vats have false bottoms filled with holes. Underneath and crossing them are steam pipes provided with stop-cocks,

through which steam is introduced from the main tube as required.

The flax is first packed in the empty vats, on the ends and in a half-sloping position, as in the common steep pool, only one layer deep. Any convenient pressure may be used to keep the flax immersed during fermentation. The water being let into the vats containing the flax, is heated in eighteen or twenty hours to the proper temperature of 85° or 90°. The fermentation then commences, and in fine qualities of flax will be completed in about forty hours more—being about sixty hours in all from the introduction of the water. At the end of the sixty hours the flax is withdrawn, the water allowed to escape, and the vat to cool. The same process may be repeated with fresh water and flax. Each vat of the capacity above described will contain two tons of the straw at once.

The small boiler, which generates the steam, also turns two round iron vessels with great velocity. These vessels may be of any convenient size, and they are called hydro-extractors. If the flax be put in them when withdrawn from the vats much of the water will be expelled by the centrifugal force generated by the rapid rotation of these vessels. The contents of a vat may thus be partially relieved of water in a few hours. The flax may then be thoroughly dried on the ground, or on frames in the open air, or by steam in buildings of proper construction.

Several objections have been made to this process, such as the evolution of a noxious gas by fermentation, and the diminution, weakening, and discoloration of the fiber by the high temperature of the water. Adequate investigation has, however, ascertained that the gas is neither noxious nor offensive, and that the uniformity of temperature secured by SCHENCK's process, though high, increases as well as strengthens the fiber, and that the linen made from flax prepared by SCHENCK's process bleaches as easily as any other.

Mr. MCADAM, after having examined every known process for retting flax, prefers SCHENCK's to every other, as declared at the meeting of the Royal Flax Improvement Society of Ireland, November, 1854.

Another process of flax retting by Mr. WATTS, consists in exposing the straw, divested of seed, to steam, and afterwards subjecting it to the pressure of heavy rollers.

The steam chamber, of this process, is about twelve feet in length and of a width and depth about six feet, and is capable of containing about fifteen hundred weight of the flax straw during steaming. On the top of this chamber is a tank containing water, about eighteen inches deep, the bottom of which forms the roof of the chamber, and has a tube passing through it provided with a valve. Both the chamber and tank are of cast iron. There are two doors in the ends of the chamber through which passes a tube furnished with a valve, and also two other doors in its ends, through which the flax is introduced and secured by screws during fermentation. A false bottom, made of perforated iron plates similar to those of malt kilns, is raised about six inches from the bottom of the chamber, and resting on this is an upright throw-pipe, used as described below.

The chamber being filled with the flax, the doors secured, and the steam admitted, and when the straw has been thoroughly saturated with moisture and softened a weight is placed upon the upper valve so as to confine the steam, which, as it strikes against the cold bottom of the water tank forming the roof of the chamber, is condensed and made to descend in streams of distilled water, which dissolves the soluble matters of the soft-

ened straw, and brings them into the lower part of the chamber. The liquid, as it accumulates, is conducted into a reservoir and used as food for cattle.

Towards the conclusion of this process, when nearly all the soluble matters of the flax have been removed, the liquid is allowed to accumulate until it rises above the false bottom, and by placing a weight upon the safety valve in the roof, the pressure of the confined steam causes it to ascend in the throw pipes, by which it is discharged in showers over the straw. Instead of the throw pipes, a square iron reservoir is placed on the top of the chamber, communicating with it by a pipe with a stop-cock, into which the liquid accumulated in the chamber is pumped, and discharged occasionally over the straw.

In twelve or eighteen hours the steaming process is completed, and the straw when withdrawn from the chamber is immediately subjected, in small parcels, to the successive action of two pairs of heavy iron rollers as they revolve together, by which it is pressed into flat, tape-like bands, and deprived of nearly all the water contained in it. The longitudinal pressure also removes a considerable portion of the cuticle or outer covering of the straw, and facilitates the removal of the woody matter in future operations upon the flax. A pressure of ten hundred weight is sufficient for the rollers. The drying and other subsequent treatment of the flax presents nothing remarkable. The straw may be secured on rods and dried by the waste steam of the engine.

BUCHANAN, perceiving that the solvent power of WATTS' process is not due to the steam, but to the hot water formed by its condensation, obtained a patent for the application of this principle. In BUCHANAN's method the steeping is effected by repeated immersions in a tank of heated water, so constructed that the temperature cannot rise above a certain degree—a point of great importance, for beyond 180° the action of the water impairs the fiber; and at that temperature the albumen of the flax coagulates and becomes insoluble. By BUCHANAN's process, therefore, the temperature is kept between 150° and 180° , and the operation, both as regards time and results, is said to be entirely satisfactory. The process of BUCHANAN is quite automatic, and the mechanical arrangements by which it is effected are simple and cheap.—Prof. Wilson, *Jour. of the Ag. Soc. of Ireland*, vol. 14, p. 204.

Mr. SANDS OLCOTT (above named with another invention), in March or April, 1840, obtained letters-patent from our government for a method of separating and cleansing the fiber of flax, by passing the straw through clean cold water, and at the same time between a series of rollers revolving together in pairs with a given adequate pressure. The machinery employed by Mr. OLCOTT for this purpose consisted of a number of pairs of similar rollers revolving together with a pressure adequate to the effect to be produced. By the side of the first pair of rollers was a reservoir with a pulley. The flax straw was made into an endless rove, as in the other process of his above described, placed on the pulley in the reservoir filled with water, and between these rollers. The rollers were then set in motion, and by their feeding power the flax was drawn through the water and between them, until the boon or shives and cuticle were entirely demolished, and the gluten and other foreign matters destroyed or expelled from the fiber. The process is reputed to have been effective.

In 1854, a gentleman in England of the name of POWNALL discovered

that if the flax, when taken from the water in which it has been steeped and fermented, were instantly, and before dying, subjected to a severe pressure and a stream of cold water, the pressure would force out and the water would wash away the gluten remaining in the plant after the fermentation. The advantages of Mr. POWNALL's process, are its practicability at all seasons, the moderate fermentation requisite, the complete destruction of the cohesive matter, the soft and pliable character of the fiber, and the facility of bleaching which results from the destruction of the gluten. The use of this process is rapidly extending in England and Ireland. Its expense is moderate, and, according to Mr. FANE, it adds from £10 to £30 to the ton of flax, according to the natural quality. Comparison, however, shows that the process of Mr. OLCOTT is more simple than that of Mr. POWNALL.

In 1853, Mr. CHARLES JAMES POWNALL received letters-patent from our government for his mode of cleansing flax fiber and separating it into its filaments.

By this mode, the flax is first submitted to the operation of the tuck or fulling-mill, and then to the operation of a combing or carding machine, which separates the fibers into their filaments. The former operation removes the gummy or resinous matter; the latter reduces the filaments into their *ultimate elements*. The patentee claims—*First*, The mode of subjecting flax, hemp, or other fiber to repeated mechanical pressure and a stream of pure water, for the purpose of depriving them of resinous or gummy matter, and also in resolving them into finer fibers, in the manner stated in the claimant's specification. *Second*, The method of breaking and dressing flax or other fibrous substances by a bearer, as described, vibrating on a conical axis, between the faces of which the flax passes, combined with rests placed in close proximity to the edges of the beaters, between which the flax passes. Also, in combination with the beater and rest, the employment of a pair of rollers, each of which is grooved in the direction of the periphery, and one of which vibrates in the direction of the axis, for the purpose of opening and softening the fiber.

This invention of Mr. POWNALL combines with a method similar to that of Mr. OLCOTT, as above described, for cleansing, complex and ingenious processes, for separating and reducing the fibers of flax, hemp, etc.

The method of Mr. CHARLES BEACH, of Pen Yan, in the State of New York, for dividing, cleansing, and reducing flax and other fibers to the consistency of cotton, is one which differs radically from all the foregoing. It is merely mechanical. Letters-patent were thereupon granted to Mr. BEACH by our government, September 23, 1862.

The fiber upon the straw or stems, in the raw state, is cut into sections of the desired length, and then cleaned and reduced by rubbing to the consistency of cotton. The machinery is different for each of these processes. That used for dividing the fibers into sections consists of one or more pairs of parallel cylinders, the two of each pair revolving towards each other with different velocities, one cylinder of each pair carrying a series of pairs of circular saws, and the corresponding cylinder of the same pair carrying a series of single smaller circular saws, one of which smaller saws revolves between each two of the larger ones. The edges of the teeth upon these saws are not sharp excepting at the ends. The teeth of the larger saws reach nearly to the axle of the smaller ones. The straw or stems in the rough state are presented to the saws, while in mo-

tion, by an endless apron or some equivalent device, and thus being drawn into the saws crosswise while revolving towards each other with different velocities, the fiber is torn into sections equal in length to the distance apart of the larger saws. The ends of these divisions are fretted and oblique, which makes the fiber join smoothly and strongly in spinning, neither of which conditions being possible, as experience has shown, with fiber divided by a straight, smooth cut.

These divisions of the fibrous material, as they are thus made by the saws, are thrown into a revolving horizontal trough below, made circular of perforated iron, in which trough also revolves, but in the opposite direction, a horizontal circular iron wheel, nearly as large in diameter as the trough, whose flanges cover the edge of the wheel. On opposite sides of the edge of the wheel revolve two small, smooth, wooden rollers, and intermediate between them revolve two other rollers similar to the former, excepting that they are provided with teeth. All round the iron trough is a cylinder made of perforated metal or wire firmly fastened by screws or other proper devices to the frame-work which supports the wheel and trough. In the side of this outer cylinder is a door which can be opened or shut at pleasure.

As the wheel and trough revolve in opposite directions the fragments of the fibrous material are rubbed and pressed alternately by the plain rollers and loosened by the toothed rollers or *pickers* in their revolutions, which thus give the best effect to this rubbing pressure, until the wood or boon of the straw is reduced to dust and expelled through the perforations of the trough and the interstices of the wire cylinder. This process is continued until the fibrous material is cleaned, softened, and reduced to the consistency of cotton, when it is removed through the door in the outer cylinder, which can be done by a careful hand, without danger, while the machinery is in motion.

This process is most rapidly and easily performed upon the fibrous material in a dry state. As the rubbing, pressure, and atmospheric movement generated by the machinery are drying processes they soon expel the water from any green or wet fibrous material on which they operate, and cleanse and reduce its filaments to the consistency of cotton. Green or wet fibrous material may therefore be reduced by this method of BEACH. It is always, however, more easily and rapidly done with the fibrous material in a dry state.

This method is certainly most ingenious and beautiful.

Another process of separating and cleansing the filaments of fibrous material in the raw state, is that of GELSTON SANFORD and S. E. MATTOXY, of New York, as described in their letters-patent, dated October, 1862.

The processes of this method consist in pressing, bending, and rubbing the fibrous material until the boon or shives are broken and expelled, and the fiber cleaned, softened, and reduced to its separate filaments. The machinery employed for the purpose consists of a large horizontal cylinder grooved in the direction of its circumference, another small cylinder near and parallel to the former, having an equal number of grooves in the same direction, and a number of small similar wheels equal to the number of grooves in each of the cylinders, each with a single groove also in the direction of its circumference, and placed on an axle parallel and near to the larger cylinder. The length of the cylinders, and the axle which carries the small wheels is equal, regulated by the length of the

fibrous material to be wrought. The grooves are placed exactly opposite to each other, and an endless chain passes over a groove in each of the cylinders and a wheel, which are made to revolve together by proper propellers. During the revolution of the cylinders and wheels the fibrous material to be reduced is presented crosswise to them on the endless chains, and thus carried through between the cylinders and wheels, which bend and rub them in all directions, with the adequate pressure, until the boon or woody matter is entirely broken and expelled and the fiber reduced to its filaments and cleaned and softened.

The ingenious method of LEWIS S. CHICHESTER, for breaking and scutching flax, was patented on the 11th of April, 1854.

The mechanical arrangements of this method, as described in the specification of the patentee, are a series of spiral and conical-shaped blades on the rotating stocks, substantially as specified, which, by reason of their twisted and conical shape, perform a beating action on the fiber at one end, and gradually change until they perform a scutching action at the other.

Also, in combination with the rotating, twisted, and conical-shaped blades, as described, the cast-iron tube surrounding them, with its aperture or door for receiving the flax at one end, to confine and direct the current of air induced by the rotation of the twisted blades towards the discharge spout at the other end, substantially as described.

These processes of BEACH, SANFORD, and CHICHESTER are merely mechanical; at least they are not accompanied by any of the separations, combinations, and resulting changes among the elements of the material wrought, which are the evidences of chemical activity.

Finally, another method of retting the boon or woody material and destroying the cohesive matter of the fibers of flax and hemp, entirely different from all these, is that of JEAN BLANC, patented by our government, October 9th, 1855.

It consists in placing the flax or hemp butts downward in a pit—dry for the purpose—and surrounding them with dry leaves or straw, with earth all round and upward to the top, which is left open in order to permit the escape of any gas generated in the inside as stated.

It has already been stated that some marked *sensible changes* to which the fiber of flax is subject, depend upon the presence of albumen, always found in the fiber of flax and its fabrics which have not been bleached or cleansed. Ropes and cordage for example made of raw flax fiber, when exposed to a high atmospheric temperature, with moisture, soon emit an offensive odor, not unlike that of rotten eggs, and become entirely worthless. This odor in both cases is due to the decomposition of the albumen. In *white flax fabrics* the albumen is destroyed by bleaching. In some cases the albumen is partially fixed or neutralized by tar, as in ropes or cables. Some more perfect method would however seem to be necessary to preserve flax fabrics against the decaying effects of the albumen, which they always contain in the entire raw state.

Methods more or less perfect for this purpose have been devised by RYAN and BETHEL in England, and BREANT in France.

RYAN's process consists in saturating the fiber or fabric of the flax, whether linen, cordage, ropes, or cables, with a solution of corrosive sublimate, one pound to five gallons of water, until the whole substance is penetrated by the mixture. This process is equally valuable for the preservation of wood. It was patented in England, March 31, 1832.

BREANT's method directs the wood or other material to be soaked in saline solutions, and in oily and resinous matters, until its substance is filled with them. This process requires but two or three days for large blocks of wood.

BETHEL's method directs the wood or flaxen fiber or fabrics to be impregnated with oil of tar or other bituminous substances containing creosote, or with pyrolignite of iron. In order to effect this the wood or other material is put into a close iron tank filled with this menstruum, more of which, the air being removed, is forced into the tank by a hydrostatic pump, until the pressure of 100 or 150 pounds to the square inch is attained. This pressure continued for six or seven hours thoroughly saturates the wood or other material with the liquid preparation. The effect is produced on flax fiber or its fabrics in much less time. For the latter, indeed, steeping without the pressure is entirely effective. The results of this process are found to be highly preservative of wood as well as of vegetable fiber of any kind. It was patented in England, July, 1839.

The foregoing processes for the treatment of flax fiber have been selected from three or four hundred, which have been developed in the United States, in England, and on the continent of Europe, for the same purpose within the last three-quarters of a century. They are stated some of them at considerable length, because they contain and largely apply every known principle of which we have any record for the treatment of flax.

The *common flax* is a native of the region where it is believed the human race was originally planted; and the first methods for the treatment of the fiber were doubtless mechanical. Mechanical are more simple than chemical methods for almost any purpose. These would probably be later in occurring to the human mind. Even dew retting, which is the oldest recorded process for the treatment of flax fiber, was probably adopted after the failure of primitive mechanical methods of which we have no trace.

The common flax-break consists of similar bars of hard wood, each one dressed moderately thin on one of its edges, and between which, fixed parallel in a strong frame, similar bars are made to descend, the edges towards each other, on the flax straw laid crosswise, and thus struck and bent in the descent until the boon is all broken into shives; the upright scutching or swingling board, over whose edge, across the end a little finer than that of the break bars, the flax is laid, after having been broken with the scutching or swingling knife, having an edge still a little finer than that of the upright board, by which the flax fiber is struck when laid thereon until the shives are expelled and the fiber itself softened and separated into its filaments, is the immediate successor of the break. These are the mechanical accompaniments of the retting process, and they are all superseded by the trough, with its wheel and rubbers all revolving by the endless chain working between rotating rollers and wheels, by the grooved and fluted cylinders revolving on and vibrating in the direction of their axes, and the obliquely revolving arms which are made to break and scutch the flax in their eccentric movements, whose far more effective operations are detailed in the processes above described.

The fiber of cotton is shown by the microscope to be flat, like a very narrow ribin, and a little twisted. It is probably to this form in a great degree that it owes its woolly consistency. The filaments of flax are round and hollow. Were these reduced to the flat twisted form of the

cotton fiber they would probably easily assume its woolly consistency. This may be accomplished by pressing the flax filaments in their parcels between metallic rollers revolving closely together at different temperatures. The particles of the filaments toward the heated roller would be expanded, and the filaments made to twist as they issued from the pressure. The difference in the temperatures of the rollers could be maintained by making one of the pair revolving together hollow, of a metal which powerfully conducts heat, and warming it from the inside, and making the other roller of a metal possessed of a moderate heat-conducting power.

Finally, a preliminary step in the further examination or treatment of flax fiber, would seem to be the ascertainment of the exact form and size of the elementary divisions of its filaments. This can be done by digesting them in an alkali, and then in acid, until all foreign matters are destroyed and excluded. The fiber would thus be resolved into its ultimate elements, whose form and size would be shown by a microscope of sufficient power.

The production, importation, exportation, and consumption of flax by the people of the United States present the following state of facts :

The quantity of flax returned as grown by the census of 1860 was.....	lbs	3,782,079
The quantity of flaxseed by the same census was....	bush.	611,927
The quantity of flax returned by the census of 1850 was.....	lbs.	7,709,676
The quantity of seed returned by the same census was.....	bush.	562,312

The flax returned both in 1850 and in 1860, is understood to have been in the state of clean fiber.

Comparison of these reports shows that the flax returned in 1860 was less than that of 1850, though the quantity of seed was greater.

Assuming that in 1850, all the flax fiber produced was cleaned and reported in the census, and that the practice since adopted in some parts of the country, of saving the seed only and rejecting the fiber, had then no existence, and adopting for 1860 the same proportion of seed and fiber as that reported for 1850, there results from calculation at least 8,388,156 pounds of clean fiber as the flax crop of 1860.

Even this is a much less favorable result than that of some of the principal flax producing countries of Europe, where the clean fiber is about 28 pounds for each bushel of seed as the average.

Granting it to be true, however, of our own flax crop for the period referred to by the census of 1860, it would seem that there were grown during that period 4,605,077 pounds of fiber, which were not returned for the census. The conclusion is that this fiber was thrown away according to the practice above referred to, the seed alone having been saved.

The following statement of our imports and exports of flax and flaxen fabrics from July 1, 1859, to June 30, 1860, was kindly furnished by the Register of the Treasury of the U. S. for the purposes of this article :

IMPORTS.

Flax unmanufactured.....	\$213,687
Manufactured—Hosiery and articles made on frames....	35,526
Linens, bleached and unbleached.....	9,245,816
Not specified.....	1,454,993
Total of imports.....	\$10,950,022

EXPORTS OF FOREIGN MERCHANDISE.

Flax manufactures—Hosiery and articles made on frames	\$35
Linens, bleached and unbleached..	119,381
Not specified.....	61,195

Total exports..... \$180,611

A summary of the foregoing statements presents these facts:

Flax grown as above stated..... pounds	8,388,156
Returned in the census as usefully consumed.....	3,783,079
Value of the last stated quantity at 12 cents per lb...	\$453,969 48
Total imports as stated.....	10,950,022 00
<hr/>	
Total domestic and foreign.....	\$11,403,991 48
Deduct exports.....	180,611 00
<hr/>	

Leaving the flax and flaxen fabrics consumed in the
United States for the period..... \$11,223,380 48

It is probable, however, that the flax produced in the United States for the current census year of 1860, was much greater than the 8,388,156 pounds. Flax grown in some of the principal flax producing countries of Europe, for both seed and fiber, yields of clean fiber on an average about 28 pounds to 1 bushel of seed. In the United States, owing to the greater dryness probably of our climate, the average is somewhat less, being an average of not more than 26 pounds of clean fiber to 1 bushel of seed.

In a thinly sown flax crop, grown for the seed alone, the relative quantity of fiber falls below either of these products. Put the fiber at 20 pounds for 1 bushel of seed, as a fair average of the flax crop of the United States for the census year of 1860, and the whole quantity will be found to have been 12,228,540 pounds.

Of all this fiber it appears that only 3,783,079 pounds were used. The other 8,445,461 pounds were thrown away for want of an available market. The fiber thus wasted at the value of 12 cents per pound, which was about the price it then bore in the markets of the country, was worth \$1,013,455 32 in its raw state. Manufactured, however, in the same state as nearly all the flax fabrics are imported into the United States, and allowing the yard of linen to require two-sevenths of one pound of fiber for its manufacture, which is about the average, the fiber thus wholly lost for want of a practicable market in the current census year of 1860, would have been worth \$8,867,733 90, a sum nearly equal to the whole value of flax and flaxen fabrics imported into the United States for the census year of 1860, and with the value of the fiber used much greater. All which would have been retained in the country could the fiber thrown away as above stated have been utilized.

The loss of so much valuable material is due to the fact that the bulk of the commodity, in its raw state, prevents its transportation to the markets of the country at its current prices there. Cheap machinery placed within practicable reach of the flax producer for cleaning the fiber would save all this. Clean flax fiber is available for every commercial purpose.

THE HISTORY AND PRINCIPLES OF MONEY.

BY RICHARD SULLEY, OF INDIANA.

THE science of political economy is one of the most important subjects that can possibly engage the attention of society. Without a thorough knowledge and understanding of its principles, mankind can never attain to that state of happiness and morality of which poets have dreamed, and philosophers have written for so many ages. Before society can achieve that enviable condition, it will be necessary, no doubt, that science, religion, and morality shall go hand in hand.

Believing fully in this proposition, I have no apology to make for what may possibly prove but a feeble effort to contribute to so desirable a consummation.

In treating upon a given point of any particular science, it is generally found necessary to enter more or less into the discussion of general principles; or we may, on the one hand, fail to make ourselves understood, or on the other, possibly, form incorrect conclusions.

Science, of course, is nothing more than a correct knowledge of *natural law*. We are bound, therefore, to deduce our principles from the inherent laws of the universe, and endeavor to show their operation by the most extensive experience.

In taking a review of these laws, the most casual observer will find a few prominent features sufficiently marked to arrest attention. Among them will be noted, inequality of climates, variety of soils and productions, diversity of tastes, and an universal desire on the part of man to improve his condition. To the proper development and moral application of these principles we must look for the progressive improvement and final happiness of the race.

In this we have apparently no option, as these prominent principles could not have been created for any but a good purpose. We are bound, therefore, as reasonable beings, to give them full scope, and should we, in the course of our inquiries, find moral or political institutions at variance with these laws, we are consequently also bound to advocate their removal at any sacrifice of *private* interest.

The physical and moral phenomena we have just noted, would necessarily lead in time to *industry, division of labor*, and finally, as we see, to the most extended enterprise and universal commerce.

When mankind had once agreed to the foundation principle of society—*security of property*—the next important step toward the achievement of *wealth* and civilization would be division of labor. It is obvious, however, that commerce must be coeval with *that* division, although it could not be carried beyond the simplest barter previous to the introduction of *money*—that is, of some commodity possessing the elements of value which could be used as a medium of exchange for all other commodities. And these elements of value can never be dispensed with without producing to society the greatest possible evils.

We assume then, that any commodity, to be a perfect medium of exchange, must possess or be controlled by two peculiar elements or prin-

ciples. It must be in itself desirable, and at the same time be difficult of attainment. In other words, it must possess an universal utility, *real* or adventitious, and must be limited in quantity, or be obtained *only* by the application of labor.

Keeping these principles in view, we only adopt a truism when we state, that gold and silver are the only commodities which could possibly have been used with advantage as an universal commercial medium, and notwithstanding opposite opinions expressed, they appear to have been the only medium used by all nations from the remotest ages of antiquity. It is not probable, however, that exchanges were at first made upon any fixed principle of *value*, though such principle must necessarily grow out of the continuance of commerce.

Many writers have assumed, but apparently without due consideration, that oxen and sheep were once used as *money*, and yet horses and asses would have been superior in the quality of locomotion. The truth is, most likely, that as oxen and sheep were always articles of necessary consumption, they appear to have been the original *criteria* of *value*.

In the *first* or pastoral state of society the exchanges would necessarily be *few and simple*, and a general medium must soon be acquired or nothing worthy of the name of commerce could exist—it must have ended where it began, in the simple bartering of one consumable commodity for another equally necessary equivalent.

In such a condition of society hired labor could hardly exist; each individual of a *tribe* or *family* would have nearly an equal right to a necessary share of food and raiment, consequently, the simple exchanges that might be necessary would be regulated rather by a certain amount of consumption, than upon any supposed or ascertained expense of production; utility then, would be the *chief*, if not the only element of value.

In accordance with these assumptions we find, by reference to the Bible, that the words *pieces of money* are in the margin translated lambs, and a writer in one of the monthly magazines lately assured us, that the same Hebrew word occurs in the 42d chapter of Job, where it is translated, in the singular, "*a piece of money*." It has also been discovered among the illustrations of the manners and customs of the ancient Egyptians at Thebes, that it was their custom to weigh gold and silver, apparently calculating by a weight *in the shape of a lamb*; half weights were also present in the same illustrations, represented by the *hind* quarters of the same animal, and specimens of the weights were also found by Mr. LAYARD in the ruins of Ninevah. The impressions on ancient coins, as well as history and language, go to show that cattle and sheep were the first standards of value; but certainly, as it seems to me, there is no evidence that they ever were the medium of exchange.

THESEUS, the founder of the Athenian Republic, stamped upon his coins the figure of an ox, and according to PLUTARCH, the Romans stamped and valued theirs in like manner. They also levied and regulated their *fin*es by reference to the value of sheep and oxen, when commuted by the payment of metal. "And to this day," says PLUTARCH, "they call their substance *peculia*, from *pecus*, cattle." It appears also, that coins and weights had a common origin, as they were used for weighing all kinds of commodities. The Hebrew *shekel*, the Greek *drachm*, and the Roman *pon*do were all weights in common use, and while they were the criterion of quantity they also became the *standard* of value. And according to

ADAM SMITH, we have unmistakeable evidence of this being the case. He states that in the reign of HENRY III., of England, the following enactment took place :

"When *wheat* is at twelve shillings the quarter, then *wastel* bread of a farthing shall weigh eleven shillings and four pence."

There seems, then, to be no great mystery about the origin of money, nor the relations which it has hitherto borne to other commodities. These relations no doubt were in the beginning unsystematic, and to some extent they remain so at present. But as soon as the divisions of labor became more marked, and the commodities to be exchanged more numerous, the coins would naturally lose their peculiar reference to the original objects of barter from which they had derived their distinctive appellations, and gradually become the measure of *price* instead of *quantity*. No sooner, however, would this be the case, than it would become profitable for all persons having money to pay, to lessen the weight of their coins while the denominations were kept unaltered.

In consequence of this circumstance and the general ignorance of the people upon the subject, the coins of all nations have been constantly diminished in weight up to a late period of history. The coins of France and England have both been diminished from the Troyes pound, which was once the standard weight of both. They are now only about one-third of the original. This mode of proceeding, however, has always been considered most objectionable and dishonest, as it must always have caused more injury to the public than advantage to the parties adopting the expedient.

The Hebrews appear to have been the first nation which adopted a settled polity in which everything was regulated by law. Among other things, Moses ordained that every *fine* and valuation made by the priesthood should be *weighed* and *estimated* by the *shekel*, and great stress was laid upon the weight being according to the *shekel* of the *sanctuary*.

From this we find that a certain weight of silver had already become the well understood standard of value among the Hebrews; and from other allusions in the Bible, such as the observation made by one of the bretheren of Joseph, upon their second appearance in Egypt to obtain corn, viz.: "our money is of full weight," that silver was also the medium of exchange in other countries besides Judea, hundreds of years before the Mosaic institutions. And it seems quite possible, that the malpractices of *currency debasers* were known to Moses at that early period. But, be that as it may, the Hebrew nation appear to have been no strangers to them as early as the time of David, as we meet in one instance with the following expression: "two hundred shekels *after the king's weight*," which seems to imply that the shekel of money had been reduced below that of the sanctuary.

In view of all these circumstances, we assume that, from the remotest ages, all countries have used a certain weight of metal as the standard of value for other commodities; and all governments appear to have been alike guilty of reducing that standard for gain.

The Roman as once contained five pounds of copper, but finally became reduced to half an ounce. The most surprising part of the matter appears to be, that such a general system of robbery should have been submitted to so long without evolving some system of currency more in

accordance with the principles of justice and the general interests of society. The most casual observer will at once perceive that our present monetary system is substantially the same as formerly. The coins, of course, are smaller, but the principle is the same; we still value all other commodities by a fixed weight of metal, as the shekel, the as, or the pound. The use of the bank note is only another mode of depreciation by the substitution of *credit for coin*. The unlimited increase of money, whether of the metals or paper, must always increase the price of commodities, until it finally deranges all commercial transactions. The present banking system is the necessary offspring or outgrowth of the *fixed standard* of value, and has been substantially in existence for about seven hundred years.

The banks of Venice, Genoa, and Amsterdam have been termed banks of deposit, but in reality they were all banks of issue.

These institutions originated in the acknowledged vices of the fixed standard of value. The coins being continually clipped and debased, both by governments and people, it was no wonder that banks of deposit became popular, and as the *fixed standard* enforced a constant superior increase of money, it was no wonder that the banks were at length tempted to reissue a portion of their deposits. Their riches and power for the time being, of course, made them famous in all commercial countries; but perhaps it would be now impossible to estimate how far they were responsible for the present decayed state of some of those once flourishing cities in which they were formerly located. It would have been much better if the governments of those cities, while acting more honestly themselves, had established a more effective police to have detected and punished the clippers and debasers of the coins, instead of instituting such baleful monopolies to absorb the capital of the various communities in which they were situated, to spread vice and poverty among the people. Banking, at best, is only a choice of evils, and, like many other mere expedients, it augments instead of destroying the evil it was intended to cure. No doubt the evils of a clipped, mixed, and worn currency were extremely great, and would have justified any expedient, innocent in itself, and if the banking system had ended where it began, in merely depositing the coin, and transferring it on the books of the bank from merchant to merchant, it would have prevented much of the evil which has since grown out of the system. But from a good beginning, these institutions gradually became oppressive monopolies, and consequently injurious to the public weal. And no doubt, could we go minutely into the private history of their operations we should find sufficient reason, in connection with other causes, to conclude that the first germs of that poverty and wretchedness which still hangs like a funeral pall over those once flourishing cities, is traceable to the blighting influence of these monopolies.

To begin, however, at the beginning, we find that in the twelfth century the government of Venice took a forced loan from a certain number of the more wealthy merchants, but by a scheme, simple enough in itself, though quite worthy of the ingenuity of the founders of banking, they managed to keep the use of their money, while the people were taxed to pay the interest upon the loan. This profitable experience, however, was not lost upon either parties concerned, they both found a mine of wealth by continuing to rob the people of all the gold and silver imported into Venice. The bank and the government in future became one grand monopoly.

The government, as well as the bank, had found out that a certain amount of deposits were never withdrawn from the bank. They therefore finally concluded that credit could be wholly substituted for cash. By legal regulations the government forced all the money into the bank, allowing none to be withdrawn, but seizing the whole as a loan, without interest, to be wholly absorbed in its own expenditure. And whatever may be said by the admirers of banking about the wonderful efficiency and prosperity of this bank, whose creditors for many years had no power under any circumstances to demand payment in coin, there can be no doubt that great inconvenience and ruin to many often occurred from these dishonest regulations.

In process of time, however, it was found absolutely necessary to change the system. A cash department was established, from which the deposits could be withdrawn at the pleasure or convenience of the owner. But the funds of this branch of the establishment were twice seized upon by the government, and specie payments were suspended for years together. This circumstance no doubt, would have been sufficient to have destroyed the credit of any bank situated in a community less wedded to the delusion of paper money than that of Venice, and whose interests had been less combined in one particular focus by the strong hand of arbitrary power. In the end, however, at the first approach of the invader, the illusion vanished, leaving only a confused remembrance of its former grandeur. And the only consolation left for the admirers of this stupendous system of fraud, appears to be found in the fact that NAPOLEON found *not a cent* in its vaults—*debt* was its only capital, which the iron hand of a despotic oligarchy could alone sustain. The once proud city of Venice is now only the melancholy wreck of what was once the greatest commercial city of the world. It stands as an example to all future generations, of the folly, wickedness, and delusion of a false system of finance. Nothing else, in my opinion, would be sufficient to account for its present decayed and sinking condition. Other nations rapidly recovered from the shock of war; Venice alone sunk into commercial oblivion, and is inhabited now only by a few fishermen and those who live upon the casual support of strangers, attracted by curiosity to view the remains of her former greatness. We come now to the history of the banks of Genoa and Amsterdam.

According to history, these banks were both forced into existence by the clipping, debasement, and the circulation of foreign coin, and for a time they were both, no doubt, *honestly* and successfully conducted. In the course of time, however, under the temptation of a vast accumulation of funds, the Bank of Amsterdam betrayed her trust by loaning the deposits, contrary to stipulation and practice, and without the consent and knowledge of the owners. The circumstances of the times disturbed commerce and the credit of the State, and the fraud being discovered, its credit sunk, never again to be revived.

The Bank of Genoa was founded in 1407, and seemingly bore about the same relation to the government of the State as the Bank of England bears to that of Great Britain. Its capital was invested in the debts of the State, and was secured by the appropriation of taxes, but the government had no power to interfere with its arrangements, nor to seize its specie without its consent, as in the case of Venice.

This Bank had a large paper circulation of various kinds and denomi-

nations, and appears to have been at different times in very straightened circumstances, as, upon more than one occasion, it was forced to issue bills upon deferred dividends. It did not, however, like the Bank of Venice, trade wholly upon *moonshine*—it held securities upon the lands, as well as upon the revenues of the State. But in this case, there is no more room for that extravagant laudation of the system, in which some writers have indulged, than there was in the case of the Bank of Venice. It was an overbearing monopoly, which, while it dictated to the government, sacrificed the interests of the people without scruple to its own private interests.

No doubt banks in the early ages of commerce were a great convenience to the world, and ought to have been moderately well paid; but notwithstanding the received opinion, they added *nothing* to its capital beyond the convenience and facility of exchange. Their issues of paper, like the issues of paper everywhere, were a tax upon the people—a mere device to accumulate wealth for themselves. The people of course admired their success, and, in their ignorance and simplicity, presumed that the banks had created it, instead merely of collecting it from their own pockets; credit cannot increase nor create capital, it admits only of its use by parties *other* than the owners.

The Bank of Hamburg has been established for nearly two hundred and fifty years. It is a bank of deposit only, and probably would have been conducted with uniform success but for one unsound principle of action: it lends its credit upon the pledge of jewels and plate. In 1857, when the monetary system of the whole world was deranged, this Bank suspended payment for a short interval, and was saved from the fate which overtook so many other institutions of the same kind, partly by a loan of silver from the Bank of Austria and partly by the interference of the government in its behalf, which interdicted or suspended the presentation of its notes in the bank for the period of three months. The Bank, of course, recovered from this slight shock to its credit, and is still a flourishing institution. This incident, however, is sufficient to show how dangerous it is, even with the best intentions, to infringe, ever so slightly, the *true* commercial principle of requiring a *present* equivalent in exchange for every commodity. The *credit system* must always, at longer or shorter periods, entail a general loss upon the community. The banks of England and Scotland next claim our attention. They were both instituted about the close of the 17th century.

The Bank of England loaned the whole of its capital to the government, and was allowed to issue paper in its stead. This was the beginning of the present system.

The issues of paper were shortly carried to excess, as the Bank was very early in difficulties. The people looked upon its privileges with extreme jealousy, and the government to some extent appeared to share in the distrust—the first charter being granted only for twelve years. But the difficulties of the government continued to increase, and having once chartered the Bank, it seems never to have had the power, even if it had the wish, to withdraw its privileges; though it has no doubt, as far as possible, taken care to compensate itself for allowing the Bank to tax the people.

The Bank suspended specie payments in the third year of its existence, and its notes fell to twenty per cent discount, while government obliga-

tions went to forty or fifty. The Bank continued to lend to the government at every renewal of its charter, and of course to make the best possible bargain for itself. Its profits, however, soon became apparent, and its stock began to rise in the market. At the first renewal of the charter, notwithstanding its previous difficulties and the shortness of the period of its existence, its stock rose to fifteen per cent *premium*, and stands now, generally, at about 120; but this was the age of monopolies, of joint stock and bubble companies.

The South Sea Company was instituted by act of Parliament about this time, for the purpose of relieving the government of a portion of its debts. The debts were taken into the stock of the company at six per cent interest, and the company were to have the exclusive privilege of trading to the South Sea—that is, along the coasts of South America, both east and west—which privilege had been secured by treaty with the Spanish Government. The company were to be the sole owners of the islands, towns, forts, etc., within the prescribed limits, and were to have the power to seize all persons, ships, etc., trading or attempting to trade within their jurisdiction. They had also the power to borrow money to any extent under their corporate seal, and at any rate of interest. This company was the great competitor of the Bank of England for the purchase and consolidation of the national debts.

The Bank offered at this time to the government a bonus of five millions of pounds for the privilege of purchasing all the debts previously contracted, for the purpose of adding them to the stock of the Bank, and also offered to the public an enormous price for that part of the debt called the *long annuities*, which had been previously purchased. But the South Sea Company prevailed, both with the government and the public; and while the act of Parliament was in progress to legalize these transactions, the stock of the company rose to 319 per cent. And in the next year (1720), when another subscription was opened for the purpose of giving a loan of two millions to the government, stock rose to 340.

At this time the enthusiasm was so intense in favor of this company and, in consequence, it was so besieged for shares that it was agreed between *them* and the government, that the company should purchase the irredeemable debt; and the public were so anxious to obtain stock in the company that they deposited their securities before it was known at what price they would be taken. Stock rose immediately four or five hundred per cent, and in a fortnight it was nearly nine hundred. But to make short of the matter, stock finally rose, with premium attached for privilege of subscription, to nearly 1,400 per cent. In a few months, however, it began to decline, and by the end of September, in the same year, the bonds were at twenty-five per cent discount, and this, notwithstanding that the directors had declared a dividend for the next half year of thirty-six per cent.

In this speculating mania the stock of the East India Company also rose to 440, and Bank stock to 260 per cent; and, as might have been expected under such a plethora of paper money, bubble companies sprung up on every hand. ANDERSON, in his "History of Commerce," collected the names of about eighty, and says he had no doubt many had been omitted. The following he gives as specimens of "the madness of the hour:"

"A company for the employment of poor artisans, and for furnishing

merchants with watches. Another for the insurance of masters against losses sustained through the carelessness of servants." It was no wonder that some wag should put the following satirical advertisement into one of the newspapers: "At a certain place (giving the name) on Tuesday next, books will be opened for the subscription of a two million stock for the purpose of operating an invention to melt down sawdust and chips, and to cast them into clean deal-boards, without knots or cracks."

Whether the advertiser obtained subscriptions the deponent saith not. Such was the rage for speculation within little more than twenty years after the institution of banking in England.

Several of the directors of the South Sea Company were created baronets, and addresses were presented to them from all ranks of people for services rendered to the State, etc. But all this time the precious metals were leaving England in large quantities, and in the midst of all this apparent prosperity the bubble burst, attended by all its ruinous consequences. A few months after an act of Parliament was passed to wind up the affairs of the company; the directors were accused of corruption and all other malpractices common in such cases. The public were much in favor of hanging a few of them, as an example to future swindlers in the same line of business, and the feelings of the people were so strong against them both in and out of Parliament, that they were not allowed to be heard in self-defense. Thus ended the first great financial crisis in England.

In France, the celebrated JOHN LAW, who shares the credit of being the inventor of the present system of banking, was operating at the same time, but under a government whose power was less limited by the principles of law or equity. He brought about a similar crisis, but as his power was less trammelled the ruin he caused was more extensive.

LAW's schemes were founded upon the same delusive idea, of creating wealth by the unlimited issues of paper money, and he operated with the same intentions of relieving the government of debt; but he had one advantage over his English cotemporaries: he had, at the same time, the undivided management of the Royal Bank and the Mississippi Company, and had, therefore, nothing to obstruct him in carrying out his theory to the fullest extent, but the principles of natural law.

It is hardly necessary to follow the various operations and schemes of LAW, in the management of his company, nor the fluctuations, nor the fabulous prices to which the stock at one time attained; suffice it say, that in these matters it was fully equal to its British cotemporary, and lasted about the same length of time, (twelve or thirteen months): The whole nation, from the prince to the peasant, became stock-jobbers; the public creditors, as well as *all other* creditors, were robbed of their all, and LAW left France and died in poverty and obscurity—a fitting retribution for the ruin and misery he had brought upon others.

These, then, are the legitimate results of an unlimited creation of money; and all these results had transpired, and many more of like kind, in the experience of the English and Scotch banks, previous to the writing of the "Nature and Causes of the Wealth of Nations." Verily, the assumption of Dr. SMITH, that *the capital of a country could be increased by the issuing of paper money*, is almost unpardonable. We pass now to the operation and experience of the Bank of England.

As before stated, it suspended payment about three years after its first

charter, and at another time it descended to the expedient of paying sixpences to gain time and to weary out its creditors. Again, in 1793, the Bank had suddenly to contract its accustomed accommodation to the public, to save itself from discredit, and the consequence was, the failure of seventy *country* banks and thirteen hundred bankruptcies; and in 1797 it suspended payment by act of Parliament.

By this time England had become involved in war, and it was necessary that the government should borrow nearly sixty millions sterling to carry it on. This continued to absorb the means by which the Bank should have resumed its payments, and the suspension was continued from time to time, by parliamentary authority, for more than twenty years, and for the greater part of that period the currency was considerably below par. The depreciation varied according to the necessities of the government, as well as in relation to each of the metals, being sometimes greater upon gold than silver, and sometimes greater on silver than gold. The variations between gold and silver was of course only the necessary oscillations in value incident to all commodities, the production of which is dependent chiefly upon the varying facilities of nature.

During this depreciation of Bank paper a singular discussion arose between the believers in inconvertible paper money and the advocates of a metallic currency. One party believing, or pretending to believe, that the cause of the difference between the value of Bank paper and of gold and silver arose from the appreciation of the metals, and not from the depreciation of the paper.

It is sufficiently singular that such a discussion should have arisen, but still more singular that it should have continued for any length of time without coming to a satisfactory conclusion, as seems to be assumed by some of the admirers of unlimited issues of inconvertible paper. No doubt evidence enough might have been found that it was the paper which had depreciated, and not the gold and silver that had increased in exchangeable value.

If the prices of those countries which were not immediately affected by the war had been examined, it would have been found that they bore no relation to the *paper* prices of England. And with respect to the prices of exports, it would have been seen that they were much lower when paid in gold in foreign countries than they had cost at home in paper, showing an apparent loss, instead of profit, which would have been sufficiently astounding, no doubt, to the uninitiated, and yet the merchants and manufacturers in the mean time grew rich.

If the war caused a demand for gold it could not affect the expense of its production, nor could it alter its relative proportion to other commodities, except to depreciate its exchangeable value, by causing an extra consumption of commodities other than gold. When we say that gold is dearer in one country than another we mean that other things are cheaper, as a commodity cannot vary in exchangeable value with itself. It would be strange to say that an ounce of gold in one country would purchase an ounce and a-quarter in another. But the present condition of United States currency settles the question beyond dispute, if there are still any persons visionary enough to advocate the *appreciation* theory. No extra demand for gold can be said to have taken place through the operations of this war, as they have been entirely of a domestic character, and yet both our bank and government paper are at a discount of about thirty per cent. But to return to the British currency.

During the suspension of the Bank gold went entirely out of circulation and silver was materially increased in nominal value. Crown pieces, which had previously passed for five shillings, were first raised to five and six-pence, and afterwards to five and nine-pence, and finally disappeared altogether, with every shilling and six-pence at all approaching to full weight, leaving nothing in circulation but light, clipped, and worn coins. In 1811, and again in 1813, to supply the deficiency of silver change, the Bank issued coins called Bank tokens, and every large manufacturing firm in the United Kingdom issued copper tokens or tallies to pay their work-people.

This state of the currency continued until 1816, when the depreciation had been partially corrected by the withdrawal of some of the Bank of England paper, and the winding up, in consequence, of nearly one hundred country banks. The new silver coinage was somewhat reduced in weight, and was issued in exchange for the light, worn coins then in circulation, and the loss, if any, was borne by the government. Cash payments were not resumed by the Bank, however, for nearly seven years after.

In 1823 the Bank resumed specie payments, and the country banks still retained the privilege of issuing small notes, which the Bank of England was required to surrender. The country banks were not slow to fill up the gap made in the small-note currency, by the withdrawal of the one and two-pound notes of the Bank, and accordingly we find that in 1824-5 another panic or crisis occurred which caused the failure of a great number of banks and great distress in the manufacturing districts. It was then suddenly found out that the *Scotch* or joint-stock bank system was the only system that could render possible an *excessive* circulation of paper without the evils of a forced contraction. In the end it proved, however, that this conceit was due only to the prudent management and long experience of the Scotch banks, and not to the system itself.

The English joint-stock banks began to make their appearance in 1826, and they very shortly made their influence felt in the currency; but up to 1833 no apparent disturbance took place on account of the withdrawal from circulation of the one-pound notes. In that year the country banks increased their issues from five to ten millions, and the joint-stock banks, in the two following years, from two millions one hundred thousand to four millions three hundred thousand, while they knew all the time that the Bank of England was restricting its own accommodation to the public to prevent, as much as possible, the export of gold. The struggle finally ended in the crisis of 1837, which all the experience, prudence, and power of the Bank of England was unable to prevent.

As usual under such circumstances, many of the private as well as the joint-stock banks failed, and several of the largest of the latter were wound up with the loss of the whole of their capital, and in many instances that did not clear their liabilities.

This crisis also extended to the United States banks; they had increased very rapidly just previous to the expiration of the charter of the National Bank in 1836. In a few years their number had increased three-fold, and their *loans* and discounts in a larger ratio. Flour rose to eleven or twelve dollars a barrel and pork to twenty-six, and all other necessary articles in proportion. All the banks in the city of New York suspended payment

in one day, and nearly all the banks in the United States in less than a week; foreign exchange rose to twenty per cent premium, and the suspension continued for a year, and in the mean time the prices of all necessary commodities were extremely reduced.

Again in the year 1839, the second United States bank, chartered by the State of Pennsylvania, failed, and three hundred and fifty more suspended payment, of which very few ever resumed. Years of low prices and despondency followed, the energies of the people being paralyzed by an overwhelming load of debt. But in the fall of 1842 and spring of 1843 the demand for grain and breadstuffs in England was so great that we imported a balance of twenty-one millions in specie, which again gradually restored confidence and prosperity.

In 1844 the Bank of England charter was again renewed for twenty years, and of course expires in 1864. The late Sir ROBERT PEEL, one of the wisest and most upright of British statesmen, was then prime minister, and believing in a sound unfluctuating currency, he did his best to prevent in future those oscillations so detrimental to the prosperity and happiness of the British people. To attain this desideratum he limited the issues of the Bank of England, as well as all the other banks of the United Kingdom. This measure, however, failed to prevent the recurrence of the evils in question, and was consequently denounced both by ignorant and interested parties. The great mistake of the act appears to have been, that the principle of *limitation* was not efficiently carried out. The joint-stock banks should also have been prevented from *attracting* deposits and *discounting* commercial bills. This business can only be legitimately carried on upon the *paid up* capital of a company, such capital being the limit of the accommodation. Banking upon deposits, as at present practiced, is only another mode of increasing the currency, producing precisely the same effect as the issuing of bank notes. In the year 1857 three of the most successful of the metropolitan banks wielded a power of thirty-five millions of deposits upon a paid up capital of about two millions; and they held these deposits and weathered the storm in spite of the Bank of England, and paid a dividend in the same year which averaged, for the three banks, twenty-two and-a-half per cent, and since that period two of these banks have continued to make dividends nearly if not quite equal to those just stated. The value of their stock in the market ranges, at present, from three hundred and sixty to four hundred per cent. We need hardly say that these profits are not the legitimate profits of commerce: they are obtained by the monopolizing or concentrating power of the joint-stock principle. At the adoption of the next Bank charter some remedy must be found to neutralize or destroy this neutralizing power of the joint-stock banks, or the currency of Great Britain will be just as liable to expansion and fluctuation as heretofore. No bank must be allowed to pay interest on deposits, and if necessary the joint-stock banks must be suppressed in London altogether.

It will be inferred from this that the act of 1844 was ineffective to prevent an undue increase of the British currency. In 1847 another monetary crisis occurred, partly from the failure of the crops in Ireland, but chiefly from the undue increase of the currency.

In the seven years ending in 1848, two hundred and fifty millions sterling had been pledged to the construction of railways, and the shares of the leading lines had been run up to two hundred and fifty per cent. By

the middle of October, however, the highest had come down to its original value, and many to sixty per cent below par. The average fall of twelve of the leading lines was $64\frac{1}{2}$ per cent, and the rest could not have been disposed of gratis.

At this time the banks of the United States escaped any material derangement, as the foreign exchanges were in favor of the country, owing to the failure of crops and high price of food in Europe. We commence now a new financial era.

(To be continued)

RAILWAY TRAVEL IN ENGLAND—ITS INCONVENIENCES AND DANGERS.

The following taken from a late English paper possesses a little too much of the tragic to be agreeable. Why our beloved cousins should persist in locking people up in a small box, without the possibility of communicating with any one outside of it, when traveling on a railway is more than we can comprehend. We trust that this bit of experience will lead them to adopt some of our Yankee modern improvements :

"A Mr. McLEAN and a Mr. WORLAND, took seats in a second-class carriage, by the Friday night express, from Liverpool to London. In the same compartment were a moody-looking Irishman and an elderly woman. He now and again talked to himself somewhat fiercely, and seemed to be threatening an invisible foe. Mr. McLEAN and Mr. WORLAND glanced at him, and then continued in friendly chat. Now, it happened that the man had been insane, and was rapidly growing insane again. A wild notion was fast acquiring the strength of a fixed idea. The two men, in familiar chat, were thieves planning how they could rob him, and he was resolving to be first in the field. As soon as the train had left Bletchley, the maniac drew a knife, and stabbed Mr. WORLAND in the head. He drew back his arm to repeat the stroke, when Mr. McLEAN, who seems to have had his wits about him, knocked him back into his seat. Springing up, the maniac made another dash at the now insensible WORLAND ; but here he was foiled again by McLEAN, who gripped his throat and his armed hand, and a close combat began. All the time the train flew rapidly through the country. The woman sitting near the other window had done all she could to alarm the driver, by wasting her screams on the morning air, and now lay insensible from the effect of terror. The madman drew the blade of his knife through the fingers of McLEAN, and thrust with it wildly. WORLAND had now regained his senses, and he at once entered into the combat, getting behind the madman, and throwing him down. The maniac's yells were louder than those of the woman ; they were continuous, but neither guard nor driver heard them. For 40 long miles this scene lasted, seen by none except those engaged in the strife ; until a ticket-collector, hastily opening the door, saw the two gashed and haggard men bending over the exhausted madman on the blood-stained floor."

COMMERCIAL LAW. No. 6.

THE STATUTE OF FRAUDS.

OF ITS PURPOSE AND GENERAL PROVISIONS.

THE Statute of Frauds, so called, was passed in the 29th year of CHARLES II. (1677) for the purpose of preventing frauds and perjuries, by requiring in many cases written evidence of a contract. It is very generally in force in this country; but none of the various statutes of the different States copy the English statute exactly, and no two of them agree exactly in all their provisions. They do, however, agree substantially; and we shall give in this article the prevailing and nearly universal rules for the construction and application of this statute. It is often of very great importance in commercial transactions. Those provisions which especially relate to commercial law are contained in the fourth and seventeenth sections.

By the fourth section, it is enacted that "no action shall be brought whereby to charge any executor or administrator, upon any special promise, to answer damages out of his own estate; or whereby to charge the defendant, upon any special promise, to answer for the debt, default, or miscarriages of another person; or to charge any person upon any agreement made upon consideration of marriage; or any contract for sale of lands, tenements, or hereditaments, or any interest in or concerning them; or upon any agreement that is not to be performed within the space of one year from the making thereof; unless the agreement, upon which such action shall be brought, or some memorandum or note thereof, shall be in writing, and signed by the party to be charged therewith, or some other person thereunto by him lawfully authorized."

By the seventeenth section, it is enacted that "no contract for the sale of any goods, wares, and merchandises, for the price of £10 sterling, or upwards, shall be allowed to be good, except the buyer shall accept part of the goods so sold, and actually receive the same, or give something in earnest to bind the bargain, or in part of payment, or that some note or memorandum in writing of the said bargain be made and signed by the parties to be charged by such contract, or their agents thereunto lawfully authorized."

The second and fifth clauses of the fourth section, and the whole of the seventeenth, relate to our present subject. The second clause prevents an *oral* guaranty from being enforced at law; but if money be paid on one, it cannot be recovered back.

OF A PROMISE TO PAY THE DEBT OF ANOTHER.

Such a promise, although in writing, is not valid without a consideration; as we have already stated and illustrated in the article on Guaranty. And this necessity, and difficulty of distinguishing in many cases between

an *original* promise, which need not be in writing, and a *collateral* promise, which must be in writing, has caused much litigation. By an *original* promise is meant a man's promise to pay his own debt; a *collateral* promise is a promise to pay the debt of another man. If it be an *original* promise, it is not within the statute, and need not be in writing; but if it be a *collateral* promise, or a promise for another, it is within the statute. By the phrase *within the statute*, is meant that the promise is such as the statute applies to; and such a promise must be in writing, and signed by the party whom it is sought to charge upon the promise.

The best rules to determine whether there be a sufficient consideration, and also whether the promise be *collateral* and within the statute, or *original*, and so out of the statute, are these: 1. Where the guaranty is made at the same time with the original promise, and is an essential cause of the credit given to the original promisor, that credit is a consideration for the collateral promise. 2. Where the guaranty is given *after* the original promise is completed and credit given, there must be a new consideration for the guaranty. 3. If, after the new promise is given, the original promisor remains liable, and there is no liability on the part of the guarantor other than what arises from his guaranty, this is a collateral promise, and is generally within the provisions of the statute, and must be in writing.

It is indeed very often difficult to say whether the promise of one to pay for goods delivered to another is an *original* promise, as to pay for one's own goods, or a promise to pay the debt or guaranty the promise of him to whom the goods are delivered. The question may always be said to be: *To whom did the seller give, and was authorized to give, credit?* This question the jury will decide, upon consideration of all the facts, under the direction of the court. If a seller sues one to whom he did not deliver the goods, on the ground that this other promised to pay for them, then the question is, Did this other promise to pay for them as for his own goods? for then the promise need not be in writing. Or did he promise to pay for them as for the goods of the party receiving them? and then it is a promise to pay the debt of another, and must be in writing. If, on examination of the books of the seller, it appears that he charged the goods to the party who received them, it will be difficult, if not impossible, for him to maintain that he sold them to the other party. But if he charged them to this other, such an entry would be good evidence, and, if confirmed by circumstances, strong evidence that this party was the purchaser. But it cannot be conclusive; for the party not receiving the goods may always prove, if he can, that he was not the buyer, and that he promised only as surety for the party who was the buyer; and, consequently, that his promise cannot be enforced if not in writing. And, in general, in determining this question, the court will always look to the actual character of the transaction, and the intention of the parties.

The courts, both in England and in America, have often endeavored to illustrate this question. Thus, in an early English case, the court said: "If two come to a shop, and one buys, and the other, to gain him credit, promises the seller, 'If he does not pay you, I will,' this is a collateral undertaking, and void, without writing, by the Statute of Frauds. But if he says, 'Let him have the goods, I will be your paymaster,' this is an undertaking as for himself, and he shall be intended to be the very buyer, and the other to act but as his servant." So, in a case in Maryland, the

court said: "If B gives credit to C for goods sold and delivered to him, on the promise of A to 'see him paid,' or 'to pay for them if C should not,' in that case it is the immediate debt of C, for which an action will lie against him, and the promise of A is a collateral undertaking to pay that debt, he being only liable as a surety. But where the party undertaken for is under no original liability, the promise is an original undertaking of the party promising, and binding upon him without being in writing. Thus, if B furnishes goods to C, on the express promise of A to pay for them, as if A says to him, 'Let C have goods to such an amount, and I will pay you,' and the credit is given to A, in that case C being under no liability, there is nothing to which the promise of A can be collateral; but A being the immediate debtor, it is his original undertaking, and not a promise to answer for the debt of another;" and therefore need not be in writing.

If a promise or undertaking be once shown to be *original*, and not collateral, as we have endeavored to explain and illustrate those terms, it can never be brought within the operation of the statute; that is, it never needs to be in writing. This is a rule to which there is no exception that we are aware of. But the converse does not hold universally. For, though it is generally true, as we have said, that *collateral* promises are within the statute, and therefore must be in writing, there are in the books several cases of collateral promises to which it has been held that the statute did not apply. Many attempts have been made to discover a principle which would explain all these cases, and serve as a test in the future for distinguishing those collateral promises which are, from those which are not, within the statute. Chief Justice KENT stated the principle thus: "When the promise to pay the debt of another arises out of some new and original consideration of benefit or harm, moving between the newly contracting parties, it is not within the statute." But this will scarcely explain all the cases, though it may most of them. We should prefer to state the distinction thus. Whenever the main purpose and object of the promisor is not to answer for another, but to subserve some purpose of his own, his promise is not within the statute, although it may be in form a promise to pay the debt of another, and although the performance of it may incidentally have the effect of extinguishing the liability of another.

If there be an oral promise to pay the debt of another, and also to do some other thing, this last can be enforced at law, if this other thing, and so much of the promise as relates to it, can be severed from the debt of the other and the promise relating to that debt; for although *that* promise must be in writing, the other may be oral.

OF AN AGREEMENT NOT TO BE PERFORMED WITHIN A YEAR.

Under the fifth clause in the fourth section, it is held that an agreement which *may* be performed within the year is not affected by the statute, as the words, "that is not to be performed within one year," do not apply to an agreement which, when made, was, and by the parties was understood to be, fairly capable of complete execution within a year, without the intervention of extraordinary circumstances—although in point of fact its execution was extended much beyond the year. So where one agreed orally, for one guinea, to give another a number of guineas on the

day of his marriage, it was held that this promise was not within the statute, that is, not one which the statute required to be in writing, because he might be married within a year, and the promisor was therefore bound by it. So where one agreed orally never to go into the staging business in a certain place, as this contract could last only while the promisor lived, and he might die within a year, he was held to be bound by it.

OF THE ACCEPTANCE OF A THING SOLD.

Under the exceptional clause in the seventeenth section, "*unless* the buyer shall accept and actually receive the same," it is clear that a mere delivery is not enough, without a distinct acceptance by the buyer.

But anything would amount to a delivery and acceptance, which was intended to be so, and was received as such, and which actually put the goods within the reach and power of the buyer. The symbolical deliveries before mentioned, as the delivery of the key of a warehouse, or an entry in the books of the warehouse-keeper, or indorsement and delivery of a bill of lading, or even of a receipt, in many cases, or a delivery of a part of one whole, without the intention of separating it from the rest, are sufficient. But some of many distinct and severable things may be delivered without this operating as a delivery of the rest; nor is the delivery of a sample sufficient, unless it be delivered as a part of the thing sold. The subject of delivery has been considered in the article on Sales.

If the buyer receives the goods, but reserves the right of returning them and rescinding the sale if they are not satisfactory, or as represented, this we should hold to be a *conditional* acceptance, which does not suffice to take the case out of the requirement of the statute, until this right is extinguished by lapse of time or otherwise, or given up; for until then there is no definite and certain acceptance.

"Earnest" must be given and received as such to make the sale valid under that clause of the statute. "Earnest" is a payment of a part as a symbol for the whole, and the part-payment must be actual payment, and not a mere agreement that something else, as a discharge of an existing debt, shall be taken as part-payment.

OF THE FORM AND SUBJECT-MATTER OF THE AGREEMENT.

The "agreement" must be in writing; but generally, in this country the writing need not contain or express the consideration, which may be proved otherwise. Nor need it be all on one piece of paper. For it is sufficient if on several pieces, as in several letters, which, however, relate to one and the same business, and may fairly be read together as the statement of one transaction.

The "signature" may be in any part of the paper—the beginning, middle, or end, except in those of our States in which the statute has the word "subscribed" instead of "signed;" in which case it should be in the usual place at the bottom. If the name and the agreement be *printed*, it is sufficient; hence, a printed shop-bill, with the name of the seller, as usual, at the beginning, if delivered to the buyer, is generally sufficient to charge the seller in an action for refusing to deliver the goods.

Shares in railroad companies, in manufacturing companies, and, we think, in all corporations and joint-stock companies, are "goods, wares, or mer-

chandise," within the statute, in this country, and an agreement for their purchase and sale must here be in writing, although it is held otherwise in England.

We think that a contract for an article not now the seller's, or not existing, and which must therefore be bought or manufactured before it can be delivered, will also be within the statute, and must be in writing, if the article may be procured by the seller by purchase from any one, or manufactured by himself at his choice, the bargain being, in substance as well as form, only that the seller shall, on a certain day, deliver certain articles to the buyer for a certain price. But if the bargain be rather that the one party shall make a certain article, and deliver it to the other party, who shall thereupon pay him for his materials, skill, and labor, this is not a contract of or for sale, but an agreement to hire and pay for work and labor, or to *employ* that party in a certain way; and it is not within the Statute of Frauds, as a contract for the sale of goods, wares, or merchandises.

The operation of the statute in the clauses we have considered, is not to avoid the contract, but only to inhibit and prevent actions from being brought upon it. In all other respects, it is valid. Thus, if A says, "In consideration of a promise from B to C to work for him two years, I will do so and so," and, when called up to do what he promised, says his promise was void, because B's promise to C was within the Statute of Frauds, and was not in writing, and was therefore void—the answer is, that B's promise is not void, but is perfectly good as a consideration for A's promise, although no action can be maintained on B's promise.

It may be further remarked, that the operation of the statute has been always limited to such contracts as have not been executed in any substantial part, and therefore remain wholly executory. For if they have been executed substantially in good part, they are binding, although only oral.

In Massachusetts, the Statute of Frauds also provides (3d section) that no action shall be brought to charge any person upon, or by reason of, any representation or assurance made concerning the character, conduct, credit, ability, trade, or dealings of any other person, unless it be made in writing, and signed by the party to be charged. And there are provisions substantially similar to this in the statutes of Maine and Vermont.

The "£10" mentioned in the first section, is from thirty to fifty dollars in different States.

DISCOVERY OF NEW AND VERY RICH GOLD MINES.

By telegraph under date of August 15th, accounts come *via* Los Angeles, of the discovery of a very rich and extensive gold mining region in the San Francisco Mountains, lying east of the Colorado river. The La Paz and other recently formed mining companies on the Colorado have been deserted for new mines. The latter are described as a new California.

CHINA TRADE FOR 1862.

We take the following excellent review of the China Trade for 1862, from advance sheets of the New York Chamber of Commerce Report. It was prepared by the leading East India house in this city :

At the end of 1861 the stock of tea in importers hands in this market was as follows :

	Green.	Black.	Japan.	Total.
Stock on hand in 1861.....pounds	1,023,790	1,483,548	36,920	2,544,258
Receipts from January 1st to December 31st, 1862.....	14,002,252	17,234,467	756,945	31,993,664
Total pounds.....	15,026,042	18,718,015	793,865	34,537,922
Stock in hands of importers December 21st, 1862.....	3,535,270	5,126,270	426,120	9,087,660
Apparent consumption in 1862....	11,490,772	13,591,745	367,745	25,449,262
“ “ 1861.....	10,394,476	19,142,128	473,418	30,010,022
“ “ 1860.....	16,298,440	13,548,559	315,306	30,162,305

These figures show a decrease in consumption from the previous year of 4,560,760 lbs., and about the same difference as compared with 1860. The range of prices for 1862, with those of December, 1860 and 1861, are given in the table below :

	Hyson.	Young Hyson.	Hyson Skin and Twankay.	Gunpowder and Imperial.	Japan.	Oolong.	Souchong and Congou.	Ankol.
Jan...	70 a 100	75 a 105	58 a 85	72 a 105	50 a 80	57 a 85	38 a 65	35 a 50
Feb	75 a 100	80 a 105	65 a 85	80 a 105	55 a 80	60 a 85	40 a 65	40 a 50
March	80 a 103	80 a 110	65 a 85	82 a 112	55 a 80	57 a 80	38 a 65	40 a 48
April	70 a 100	70 a 108	55 a 80	80 a 112	65 a 80	50 a 95	37 a 65	37 a 45
May	70 a 105	70 a 108	55 a 80	80 a 115	65 a 80	50 a 95	36 a 65	35 a 45
June	65 a 100	65 a 108	50 a 80	75 a 115	65 a 80	50 a 100	35 a 55	32 a 45
July	65 a 105	65 a 110	50 a 80	75 a 115	65 a 80	50 a 100	35 a 55	32 a 48
Aug.	65 a 105	65 a 110	50 a 80	75 a 115	65 a 80	50 a 100	35 a 55	32 a 48
Sept.	70 a 100	65 a 105	53 a 75	75 a 110	60 a 80	55 a 90	38 a 65	35 a 48
Oct.	70 a 110	60 a 110	55 a 80	75 a 115	60 a 85	58 a 90	38 a 65	35 a 55
Nov.	75 a 110	65 a 110	58 a 80	80 a 120	65 a 85	62 a 95	45 a 75	37 a 55
Dec.	75 a 110	65 a 110	58 a 80	82 a 120	65 a 85	62 a 95	45 a 75	37 a 55
" '61	75 a 93	73 a 95	58 a 70	70 a 95	48 a 72	55 a 80	38 a 65	35 a 45
" '60	35 a 60	35 a 53	33 a 46	36 a 65	.....	30 a 60	25 a 43	15 a 23

We add thereto the following statement, showing the average advance on the various descriptions of tea during the year 1862 over the average prices of 1861 ; also, the average prices for the month of December, 1861 and 1862. A comparison of these figures proves how large the fluctuations have been during the periods named :

AVERAGE MARKET PRICE FOR TEAS DURING THE YEARS 1861 AND 1862.

	1861.	1862.	Advance.
Hyson.	59c.	90c.	31c.
Young Hyson.	59	88	29
Hyson Skin and Twankay.	48	68	20
Gunpowder and Imperial.	62	96	34
Oolong.	51	75	24
Souchong and Congou.	36	53	16
Ankoi.	22	43	21
Japan, uncolored.	54	72	18

AVERAGE MARKET PRICE FOR TEAS IN THE MONTH OF DEC., 1861, AND DEC., 1862.

	1861.	1862.	Advance.
Hyson.	84c.	92c.	8c.
Young Hyson.	84	87	3
Hyson Skin and Twankay.	64	69	5
Gunpowder and Imperial.	82	101	19
Oolong.	67	78	11
Souchong and Congou.	51	60	9
Ankoi.	40	46	6
Japans, uncolored.	60	75	15

In the above tables we give the range of prices for all qualities of each kind of tea, instead of confining ourselves to the cargo grade, as was the case in our last report.

The great and rapid increase in the value of tea during the first of these periods has already in our previous issue, been traced to its principal cause, that of the duty of 15 cents per pound imposed by Congress on all descriptions of tea, and which was raised to 20 cents per pound by the act approved 24th December, 1861. Subsequently the apprehension that this rate of duty might be further augmented, produced a speculative feeling in the market, and the season of 1862 opened with an active business. There appeared, however, as time went on, no disposition on the part of Congress to add to the duty already fixed by law, yet such influence as the prospect of a permanent tariff may have exercised over the minds of buyers was lost sight of in the more important circumstance of a change in the value of our currency, which at this period began to manifest itself.

Early in January gold was at a premium of four per cent, and the rate of sterling exchange 114 to 115 per cent; simultaneously the value of merchandise generally was enhanced, and as a rule it has followed the course of gold, only maintaining comparative steadiness during the more violent fluctuations of this metal. With respect to Green tea it may, however, be noted, that the question of supply has had its bearing on the market. Certain causes were assigned in our last report for the deficiency that then prevailed, and these causes have continued to operate in checking, to a considerable degree, the export of Green teas from China. The difficulties of transit, and the destruction of produce consequent upon the rebellion, together with the generally reported short crop, all have combined to put our markets, from time to time, in an excited condition, and to cause extreme prices to be paid for certain qualities, such as have not, we believe, been known before since tea became free of duty. Hyson and Young Hyson brought \$1 10; Hyson Skin and Twankay, 85 cents; and Gunpowder and Imperial, \$1 20.

The Black tea trade presents no new or remarkable feature. The closing

prices of the year exceed those of December, 1861, only by the difference in exchange, and the stock is largely in excess of that period.

Japan sorts have been dealt in to a considerable extent. The taste for them is on the increase, but from their high cost they have not taken the place of the China Greens so largely as had been anticipated. The characteristics of this tea are a close resemblance to the finest Green tea of China, styled Moyune, from which, however, it differs in one essential particular, that it is free from coloring matter, and although not deficient in strength, it possesses great delicacy and softness of flavor.

The "Benefactor" brought the first Japan teas that came direct to this port. She sailed from Yokohama in October, 1862, but the time of her arrival excludes her cargo from our annual estimates.

The offerings at auction of sound teas, in 1862, were very small, compared with previous years, reaching in all but four sales; and from these portions of the catalogues were withdrawn, notwithstanding that the prices bid were fully up to those obtained at private sale. This diminution of public sales is owing in a considerable degree to high rates, accompanied by a strong speculative feeling, together with a growing indisposition on the part of jobbers to carry heavy stocks. The sales of damaged or stained teas were unusually large and at good prices. In many instances sound value was realized. As near an estimate as we can procure would show the following aggregate:

Black.....	packages	23,395
Green.....		14,841
Japan.....		801
Total packages.....		38,537

Raw Silk has only slightly fallen off in quantity from the year just preceding, but compared with previous years the decrease is large.

The importation was in 1858.....	5,675 cases and bales.
" " 1859.....	6,777 " "
" " 1860.....	3,181 " "
" " 1861.....	3,403 " "
" " 1862.....	2,370 " "

The latter consisted of—

Taysaam, from China direct	374 bales,	39,270 lbs.
Canton, re-reeled "	624 cases,	31,200 "
Japan, direct from China.....	88 bales,	8,000 "
Teatlees and Taysaams, from London, entered as 769 packages, containing.....	1,284 bales,	136,540 "

Total..... 2,370 packages 215,010 lbs.

Valued here, including cost, charges and exchange, at \$1,082,000.

From this it will be seen that more than half of the receipts came *viz* England, in spite of the duty of ten per cent. This is attributable to the small supply received direct, and to the moderate prices in the London market, enabling shipments to be made with good chance of profit even at increased cost. Importation through the same channel is likely to continue, inasmuch as the discriminating duty of ten per cent has been removed for two years, from the 3d March, 1863, so that now raw silk, the product of countries beyond the Cape of Good Hope, is exempt from duty when im-

ported from places this side of the Cape. Under this change of the tariff continuous supplies of silk may be expected from England whenever our market shall offer inducement.

The following table shows the prices for the year :

China.	Jan. 1, 1862.	June 30, 1862.	Sept. 30, 1862.	Dec. 31, 1862.
Teatlees	\$5 50 a \$6 00	\$5 50 a \$6 00	.....	\$7 25 a \$8 00
Taysaams	4 00 a 5 50	4 50 a 5 50	\$5 00 a \$7 00	6 25 a 7 50
Canton, re-reeled	4 75 a 5 00	5 00 a 5 50	5 50 a 6 00	6 50 a 6 75
Japan.	4 25 a 5 50	4 75 a 6 25	.....	8 00 a 9 00

These prices have risen still higher as we write ; but it must be borne in mind that the advance is only sympathetic with the rate of exchange on England.

The expectations formed of Japan silk have been fully realized, its quality answering the purpose of manufactures, on the average, equally as well as the Chinese, and, for some objects surpassing it. It has more body and evenness of thread than the Chinese article, and approaches very nearly the European raw silks. Indeed, those descriptions of Japan silk, styled Maybash and Eda, are held to be superior to some of the Italian, and bring, accordingly, higher prices in the London market. In short, the general quality of the Japan product is available for all the purposes at present known to this branch of industry in the United States.

Manufacturers have done a good business during the past year, and have participated in the general rise of merchandise consequent upon the condition of our currency. Their product has been, chiefly, sewings and twist ; but considerable attention has been given to weaving ribbons and piece goods—the former, on quite an increased scale ; the latter, more restricted, owing to the high cost of the raw material. Nevertheless, weavers are now turning out Foulard silks in great perfection, and preparations are being made for a more extensive production of Pongees and dress goods, when raw silk shall have fallen sufficiently below its present value to promise larger remuneration to the manufacturer than that which could fairly be expected under prevailing conditions. In addition to these uses, silk is being largely mixed with worsted for clothing purposes.

Silk Piece Goods.—The extensive trade in this description of goods, that was carried on in former years, has dwindled to insignificant proportions, as will be seen by consulting the following table. The decline is attributable, in the first instance, to the large stock that had accumulated in the market, inflicting severe loss on the importer, and naturally forbidding further importation—subsequently to the competition of French and English Foulards, which grew formidable, and finally to the home manufacture of this article proving successful beyond the expectations of dealers. Through these various causes may be traced the striking contrast exhibited below :

Importation of Silk Goods, from—	Pongees. Pieces.	Nankin Pongees. Pieces.	Hdks. Pieces.	Sarsnets. Pieces.	Levan-tines. Pieces.	Damask. Pieces.	Sou-chans. Pieces.
Jan. 1858, to June, 1859,	32,710	29,650	4,384	6,220	....	....	....
" 1859, to " 1860,	50,012	28,005	15,642	14,160	450	75	100
" 1860, to " 1861,	40,502	....	1,526	8,292	600	120	100
" 1861, to " 1862,	2,723	....	....	100	100	....	....
1 June to 31 Dec., 1862,	7,650	....	600	775	....	....	....

Crape Shawls and Scarfs—Which in 1852-'3 reached the heavy aggregate of 322,594, were reduced, in 1861-'2, to 17,304. The bulk of those was composed of low-priced colored goods, intended chiefly for exportation to Spanish markets.

Sewing Silk—From an importation of 300 piculs, about 40,000 lbs., in 1858-'59 fell rapidly off, and the quantity shipped hither since that date is scarcely worthy of note, the home manufacture having driven it out of the market.

Matting.—This article exhibits less discrepancy in point of quantity, and stands as follows, for the series of years adopted for comparison, viz :

June, 1858, to June, 1859,.....	53,411 rolls.
“ 1859, “ “ 1860,.....	46,588 “
“ 1860, “ “ 1861,.....	40,198 “
“ 1861, “ “ 1862,.....	6,732 “
1st June to 31st December, 1862,.....	22,442 “

Doubtless the supply has been in excess of the demand, as a large proportion of the consumption of former years was in the South. At the same time, under the influence of a disturbed currency, prices have ruled high, and while the quotation for 4-4 white in January, 1862, was 20c., in December of the same year it rose to 27c. per yard, and at a later period reached 35c.

Fire Crackers have come forward in irregular supply, but the importation of the last season is comparatively large, and prices have fluctuated between \$1 80 and \$1 50.

June 1, 1858, to June 1, 1859,.....	147,111 boxes.
“ 1, 1859, “ “ 1, 1860,.....	218,104 “
“ 1, 1860, “ “ 1, 1861,.....	185,589 “
“ 1, 1861, “ “ 1, 1862,.....	87,154 “
June 1, to December 31, 1862,.....	96,175 “

Palm Leaf Fans.—This article, from a large accumulation of stock, became almost unsaleable for many months, nor was there any prospect of improvement until the very low prices at which the goods were held induced speculative buyers to enter the market, and considerable purchases were made at \$5 per case; subsequently the gold movement took place, causing a rise in the value of the article to \$15 per case, leaving, however, a great surplus stock still on hand.

Cassia has been largely dealt in the past year, at generally advancing prices, caused, in the first instance, by the duty of 15c. per pound, and subsequently by the course of exchange. In January the current value of the article was 28c., and in December 42c. The stock now held is estimated by some dealers to be about 200,000 mats. The importation has been as follows :

June 1, 1858, to June 1, 1859,.....	11,726 piculs, —	1,562,466 pounds.
“ 1, 1859, “ “ 1, 1860,.....	6,676 “ —	890,133 “
“ 1, 1860, “ “ 1, 1861,.....	5,427 “ —	723,600 “
“ 1, 1861, “ “ 1, 1862,.....	5,881 “ —	784,133 “
June 1 to 31st December, 1862,.....	2,975 “ —	396,666 “

Camphor, which has ceased to be imported from 1858 to 1860, was, in 1860-1861, shipped to the extent of 525 piculs, = 70,000 pounds. in 1861-1862, " " " 675 " = 90,000 " June 1 to 31st Dec., 1862, " 243 " = 32,400 "

Prices have fluctuated, being in January 57½c. per lb., and in December 90c. Stock here is moderate.

Straw Hats and Braid, after having been neglected for a long period, and reduced to a merely nominal value in this market, have again become articles of considerable importance. The importation of the past year has been several thousand packages of hats and braids, which have all been sold at highly remunerative prices.

Of the miscellaneous imports from China there is no article worthy of special notice except cotton. This has been sent over in limited quantities, and owing to the dearth of our Southern staple, has commanded ready sales, at prices on the average about 20 per cent below American sorts. It does not appear to have been sufficiently tried to fix its position relatively to American and other kinds, but a prejudice exists against it among our manufacturers on account of its short staple, to which they are unused. This difficulty being better understood in England, the cotton there has been more largely taken, and the supplies are likely to be increased. The loss in the picker is said to be small, as compared with India cotton, but in the further processes of manufacture this gain is offset by the increased loss in flying and breakage. The future of this article will be more readily solved in the English market than with us, as its importation there has been on a scale sufficiently large to allow a fair test, but already it is estimated by some as taking rank with the best India qualities.

In our last notice of the exports from the United States to China we had to record a large decrease in cotton goods, as compared with previous years, and we assigned reasons for expecting a further diminution of this important item. We were not, however, fully prepared for the total cessation of shipments that ensued. During the year 1862, not a piece of domestic cotton goods was exported to China. On the contrary, some considerable parcels of the stock held in that country by American houses were returned to this port and to San Francisco. The reasons for this reversal of the order of trade are obvious, in the scarcity of the raw material, and the consequent high prices for manufactured goods—the advance in some articles being fully 300 per cent above those current before the rebellion. Drills, for which the merchant formerly paid from 8 to 9 cents, reached the unprecedented figure of 32 cents per yard; and similar descriptions of goods rose in the like proportion. This singular condition of our market revealed the fact that the demand in China could only be sustained up to certain moderate limits, and that when these are passed, consumers fall back upon the native product to the neglect of the imported goods. Doubtless the Chinese traders were slow to believe that their supplies would be entirely cut off, and, under this misapprehension, they held aloof for a time, hoping for lower rates; yet, when at length it became manifest that the exportation of cotton goods from this country was virtually at an end, the fact gave but moderate impulse to speculation, and it was only gradually that the native buyer was induced to meet, to some extent, the exigencies of the market. During

the first six months of the past year, the quotations for domestics in Hong Kong and Shanghai remained unchanged, or nearly so.

Drills, at the former place, brought from \$4 10 to \$4 25 per piece, of 40 yards.			
Sheetings	"	"	2 90 to 3 30 " " 40 "
Jeans,	"	"	2 80 to 3 10 " " 30 "
At Shanghai, drills were held at 3.1 taels to 3.25 taels, — \$3 90 to \$4 10.			
Sheetings,	"	"	2.65 " to 2.90 " — 3 34 to 3 65.
Jeans,	"	"	2.65 " to 2.75 " — 3 34 to 3 46.

In August, some symptoms of a speculative feeling became apparent, and holders raised their pretensions accordingly, establishing an average advance of about \$1 per piece; yet there was no similarity of value when compared with the home markets, and the attention of holders was directed to the advantages likely to accrue from re-shipment. The idea was speedily acted upon; considerable quantities of drills and sheetings were returned to this port and San Francisco, resulting in profit to the owners of the goods. The reduction of stock in this mode gave fresh impulse to buyers, and prices again rose. Momentarily as much as \$7 per piece was asked for drills in Hong Kong; but no transactions followed, and prices ultimately settled at about the following figures:

At Hong Kong....drills,	\$6 00.	Sheetings,	\$3 60 to \$4 00.	Jeans,	\$4 10
At Shanghai,	" 4.45 taels.	"	3.80 to 3.80 taels.	"	4 taels.

The stock in Hong Kong, at the close of 1862, was small. That at Shanghai was estimated as follows:

Drills,.....	50,028 pieces.	Jeans,.....	1,300 pieces.
Sheetings,....	2,917 "		

We present below, in tabular form, the prominent articles of export to China, by which it will be perceived that coal has again assumed an important position, affording, in fact, the only remunerative freight for vessels outward bound, now that the shipment of domestics has ceased. Prices have fluctuated largely, having been, in February, 1862, at Shanghai, the principal market, 16 taels per ton; in March, 20; August, 11; November, 8, and December, 14, forming, for the year, an average of 13½ taels per ton.

As we had anticipated, the consumption of anthracite coal seems to have gained ground among the Chinese for domestic purposes. This, added to the demand for coastwise and river steamers, has sustained its value, which must otherwise have fallen very low after the withdrawal of the foreign war steamers from those waters. It is probable, however, that the quantity now on its way to China is in excess of needs, and we may look for moderate rates to rule for some time to come.

The navigation of the Yang Tsee, added to the increasing business on the coast, has created a call for steamers that had to be supplied from foreign sources. A considerable number has been sent thither from England, and during the year nine steam vessels of varied tonnage have been built in the port of New York for the Chinese waters. Two of these boats were sent in pieces by vessel, the others were navigated by the usual route around the Cape, and arrived in safety, although not without accident and long delay in some instances. The aggregate value of these steamers has been estimated at \$1,500,000, affording a desirable medium of exchange to that extent.

The other articles detailed among our exports, being of regular shipment,

scarcely call for any other notice than the record of their quantity and value. It may, however, be mentioned, that the supplies of flour from hence are materially interfered with by those now sent from California across the Pacific, the quality of which has grown into favor with the consumers, and is an acceptable substitute for the Gallego and Haxall brands, which, before the rebellion, enjoyed a monopoly in the China market.

Ginseng, owing to the short gathering of the Southern root, has largely fallen off, and has, consequently, advanced in price. The late quotations from Canton show higher figures than had ruled for a long time; but the increased home cost renders the issue of shipments of doubtful benefit to the owner.

Provisions, on the other hand, are still in superabundance, and prices merely nominal, and must, in all probability, continue so until consumption shall have relieved the markets.

MERCHANDISE SHIPPED FROM THE UNITED STATES TO CHINA, FROM 1ST JANUARY TO 31ST DECEMBER, 1862.

Coal, in 48 vessels, 85,074 tons,.....		\$149,786
Lumber, in 15 vessels, 561,095 feet,.....	\$23,481	
“ 11,528 pieces,.....	20,000	
		43,481
Lead, in 10 vessels, 7,241 pigs,.....	\$65,074	
“ 24 sheets,.....	1,664	
“ 12 packages,.....	665	
		67,408
Ginseng, in 15 vessels, 848,849 lbs.....		280,488
Provisions, beef, in 13 vessels, 1,162 bbls, \$14,738		
“ “ 60½ bbls.....	518	
		\$15,251
“ pork, in 10 vessels, 1,181 bbls,.....	13,783	
“ hams, 3 “ 77 “	1,485	
“ bread, 5 “ 2,303 “	11,885	
“ flour, 18 “ 6,940 “	55,435	
“ butter, 20 “ 1,087 “ \$88,069		
“ 200 boxes 1,500		
	84,569	
		131,908
Miscellaneous, in 37 vessels,....		481,828
Total,.....		\$1,154,894

The clearances from American ports for China, in 1862, irrespective of the steam vessels referred to, were as follows: 30 ships, 17 barks, and 1 brig; total, 48 vessels; being eight more than the number reported for the previous year. The arrivals during the same period were: 26 ships, 24 barks, and one brig; total, 51 vessels.

The foregoing particulars of the trade between the United States and China are, for the sake of precision, brought within the limits of the year 1862; but in our further remarks we propose to abandon the restriction necessitated by statistical figures, and report upon events that have since taken place, as well as on occurrences bearing on our subject, that reach us while we write.

At the period of our previous report, no vessel in the China trade had been captured by the rebel cruisers; but this immunity was not of long duration, and we have now to chronicle the destruction of several valuable ships, with their cargoes, viz.:

The “Jacob Bell,” Captain CHARLES H. FRISBIE, 1,381 tons; burnt by

the "Florida," 13th February, 1863, lat. 24° 01", N., long. 65° 58", W.; ship and cargo valued at \$750,000.

The "Oneida," Captain JESSE F. POTTER, 420 tons; burnt by the "Florida," 29th April, 1863, lat. 1° 40", S., long. 29° 10", W.; ship and cargo valued at \$330,000.

The "Dorcas Prince," Captain FRANK B. MELCHER, 699 tons; burnt by the "Alabama," 26th April, 1863, lat. 7° 35', S. long. 31° 35', W.; ship and cargo valued at \$250,000.

The bark "Union Jack," Captain CHARLES P. WEAVER, 460 tons; burnt by the "Alabama," 3d May, 1863, lat. 9° 40", S., long. 32° 30", W.; ship and cargo valued at \$100,000.

Under the influence of these disasters, the insurance premium against war risk, which, at first was but 1 per cent., has gradually been raised by the underwriters to 10 per cent., at which point, however, it cannot be long expected to remain, in face of the facts that meet us.

The piratical fleet is fast swelling its numbers, not only by the acquisition of steamers abroad, but also by the expedient of converting captured merchantmen into vessels of war. The Japan, alias Georgia, a steamer of considerable power, that left Liverpool in April last, has given the first notice of her whereabouts by the destruction of the ship Dictator, Captain PHILLIPS, bound from Liverpool to Hong Kong, with a cargo of coal. This event took place on the 25th April, in latitude 25° N., longitude 21° 40' W., after which the Georgia steered for Bahia; from thence it is surmised that her course will be to the China seas, where her piratical trade can be carried on to the detriment of Northern interests.

With our commerce thus threatened, it was natural that much of the carrying trade hitherto done in American bottoms should fall to the share of foreign tonnage. So, in fact, it is. Many China cargoes have been conveyed to this port under neutral flags, the war premium offering sufficient inducement to secure them the preference. At what point this tax may become prohibitive, we shall, perhaps, be enabled to judge ere long as the dangers of capture multiply. Meanwhile the rates of freight have gradually increased in favor of the foreign flag, the latest quotations being as follows:

	Tea.	Silk.
Shanghai, American,.....;	\$16 a 18	\$23, currency.
" Foreign,.....	" "	" specia.

Thus it will be seen that the China trade has not been exempt from the contingencies that have beset our commerce since the rebellion broke out. To the danger of loss of property at sea have been added the uncertainties of a constantly fluctuating currency, baffling all calculation as to the value of merchandise, and at times giving the appearance of greatly enhanced prices, which, upon final settlement, and measured by the exchange of the day, have proved to be wholly fallacious.

The difficulties of arriving at any reliable estimate in respect of the worth of goods, may be better understood when we state that the range of sterling bills has been from 114 per cent. in January, 1862, to 183 per cent., which unprecedented rate it attained on the 3d March last; since then the fluctuations have been large, and the quotation of the day is 160.

Our commerce with Japan has not met the earlier expectations to which it had given rise. There seems to be a persistent opposition to foreign settlement in the country, carried, at times, to the extremest violence by the

people. The conditions of treaties remain unfulfilled in many respects, and ports that ere this should have been thrown open remain closed, without any definite purpose on the part of government to remove the restrictions. Exchange, though somewhat modified, is still maintained at an arbitrary rate, by which the authorities obtain a large revenue, to the detriment of the mercantile community. These and numerous lesser annoyances have proved a heavy clog upon business; nevertheless, there has been, on the whole, a considerable increase of trade with the United States, and a large exportation of raw silk to Great Britain.

The fancy lacquered wares and other Japanese goods that were briefly noticed in our last issue have been imported only to a small extent; yet in some articles our market is overstocked, causing considerable loss to the importer when sold, but for the most part remaining on hand, with but little prospect of sale at remunerative prices.

The present state of affairs in Japan is anything but assuring. News just received from Kanagawa to the 11th May, via San Francisco, represents a considerable naval force, British and French, lying off that port, waiting the decision of government to a demand of indemnity made by the English Admiral in consequence of the murder of a British subject by some Japanese. Should the answer be unsatisfactory, it is alleged that hostilities will forthwith commence. How far American property will be jeopardized in these circumstances cannot now be determined, and in the face of rapidly moving events, speculation becomes useless. Meanwhile we learn that the American minister had negotiated a new treaty, by which some advantageous conditions had been secured; but as yet we are without particulars.

On the subject of communication between the United States and China, the only new feature we have to announce is the attempted establishment of a line of steamers between that country and San Francisco. Hitherto the enterprise has not met with much success, the public expectation having been disappointed with regard to the rapidity of passage; and the few and irregular voyages of the steamers would imply that the business has not turned out remunerative. The occasional arrival of a sailing vessel from Hong Kong, Shanghai and Kanagawa, at San Francisco, has put us in possession of late news from those points; but, on the whole, there has been no gain of time over the route *via* England, the average transit of the mails from Hong Kong to New York being, for 1862, just sixty days.

Lately a French company has started a line of steamers between Marseilles and Hong Kong, under the title of Messageries Imperiales. The ships are first-class, and their performances hitherto betoken a close competition with the old line.

COMMERCIAL CHRONICLE AND REVIEW.

BUSINESS—HIGHER PRICES—RAW MATERIAL—DIMINISHED STOCKS—WEIGHT OF COTTON—MATERIAL ABROAD—WOOL—ECONOMY OF CONSUMPTION—NATIONAL SAVING—MACHINERY—HARVESTS—FOOD—NO ENTERPRISE—CASH SALES—ACCUMULATION—DEPOSITS—INFLATION—STOCK SPECULATIONS—RAILROADS—STOCKS IN LONDON—IMPORTS—DUTIES—GOLD DUTIES—AMOUNT OF—TREASURY PAYMENTS—EXPORTS—HARVESTS—LOWER PRICES—EXCHANGE—SPECIE MOVEMENTS.

THE business of the past month showed little recovery from the lassitude that has so long prevailed in the markets. The quantity of manufactured and imported goods upon the market has not been large, and the general tendency is to higher prices, by reason of the diminished supply of raw material. The materials which are generally used for textile fabrics are flax, wool, and cotton. The two last mentioned are those which employ the manufacturers of this country, and in the following proportion according to the census :

	No. hands.	Pounds used.	Value of goods.
Cotton.	118,920	380,036,123	\$115,137,926
Wool.	48,900	80,386,572	68,865,963

These materials, in the proportion of one-sixth wool and five-sixth cotton, have been the basis of the goods made in this country, and for two years the larger material has been withheld, or 760,000,000 pounds of cotton, equal to 3,040,000,000 yards of cloth, or 100 yards for every person, has been withheld from the markets, consequently wool is almost the sole material. It has greatly risen in price, and the goods have, as a matter of course, cost more. The same thing has happened in Europe and England. Flax, silk, and wool have been called upon to perform greater duties, and have all risen relatively in price. As a consequence goods come out dearer, while old stocks are becoming less. The crop of domestic wool never suffices for the home manufacture ; it is about three-fourths the required quantity in ordinary years. A large import demand now comes in competition with the wants of other nation upon the wool supplying countries. Under these circumstances there is great firmness among holders of goods, while the demand from consumers is becoming more urgent, because of the long season of economy. It is probably the case that through the rise in gold and exchanges, by raising prices and thus discouraging consumption, the nation has saved several hundred millions of dollars. In other words, they have consumed so much less than they would have done had the usual course of prosperity been uninterrupted. This saving has been in some degree an offset to the lessened production and the waste of war ; the same quantities of merchandise have been made to last a longer time. Such a state of affairs, however, brings ultimately a state of quasi exhaustion, which manifests itself in what are called war prices. Unfortunately, however, for the farming interests this does not apply to food, of which the abundant surplus seeks the seaboard vainly for an adequate foreign market, and falls daily in prices, which are lower than they have been for many years previously.

The use of machinery in the harvesting of crops now compensates

largely for the absence of men in the service of the army. This is an extraordinary feature of the present war. Early in the century when the male population were taken from useful industry into the armies, the labor of the fields had to be done by the females as an alternative for starvation. At the present time so perfect is machinery that men seem to be of less necessity. Of all the labors of the field, mowing was formerly deemed to be the most arduous, and the strongest men were required for it. We have seen, within the past few weeks, a stout matron, whose sons are in the army, with her team cutting hay at seventy-five cents per acre, and she cut seven acres with ease in a day, riding leisurely upon her cutter. This circumstance is indicative of the great revolution which machinery is making in production. War occupations, even on a most gigantic scale, do not seem to check the supply of food. That food is not produced, however, in much greater ratio per acre, while its value, compared with what the farmer is required to purchase—necessary groceries and clothing—require a far greater number of bushels of grain than formerly, and interchange is not readily effected.

The uncertainty of the duration of the present state of affairs also prevents all business enterprise, and the state of the currency confines transactions mostly to cash. It results, from this state of things, that money becomes more and more abundant up to a certain point, since, as goods are sold for cash during a time of diminishing stocks, the cash for which the wares are sold seeks deposit and temporary employment, and money becomes apparently very abundant. There is a limit to the downward movement, however, and when the time comes for dealers to get in stock and commercial enterprises to be resumed, business may absorb money faster than it now releases it.

The large deposits in the banks, as apparent in the tables elsewhere, show the great accumulation of money. The process of inflation which is going on throughout the country banks also aids the accumulation. The country bank notes are payable in greenbacks, and as payment is not demanded these institutions send the greenbacks they receive in the course of business to New York to draw interest, if they can get it, and pay out their own notes. There is no settlement, but a fabric of credits growing up, one upon another, and balances are sent to the city for employment. This fund has found employment only in conversion to a moderate extent into the government five-twenty six per cent stock, in the five per cent certificates of deposit, and stock speculations.

The prices of the federal stocks have been as follows:

PRICES UNITED STATES PAPER.

	6's, 1881.—		5's, 1874.	7 3-10, 8 years.	1 year certif.		Gold.	August demand notes.
	Reg.	Coup.			Old.	New.		
January 3...	96½	98	88½	102½	96½	...	34½ a 34½	29
" 10...	97½	98	90	103	97	...	37½ a 38	35
" 17...	91½	91½	88½	101	95	...	49 a 46½	43
" 24...	95	96	90	102	96	...	47 a 48½	44½
" 31...	92½	94	86	101½	94	...	55 a 60½	53
February 7...	92	98½	85½	102	94	...	57½ a 57½	55
" 14...	94	96	87½	102½	96	...	53½ a 53½	51
" 21...	96½	97½	91½	103½	95	...	53½ a 64	62
" 28...	100½	102½	97	105½	98½	...	71 a 71½	71
March 7...	98½	100½	94½	105	98½	...	52½ a 53	53
" 14...	104½	104½	98	106½	100	...	54½ a 54½	53
" 21...	103½	104½	96	107	100	...	54½ a 54½	53
" 28...	104½	105	96½	106½	100	...	41 a 41½	..

		—6's, 1881.—		5's, 1874.	7 3-10, 3 years.	1 year certif.		Gold.	August demand notes
		Reg.	Coup.			Old.	New.		
April	4...	104½	106	97½	104½	99	...	53 a 53½	..
"	11...	104½	106	97½	105	100½	...	46 a 52½	..
"	18...	104	105	96	105	101	...	53 a 53½	..
"	25...	105	106	96	106	102	99½	151½ a 151½	..
May	2...	106½	106½	97½	106½	102	99½	150 a 150½	..
"	9...	106	107	97	106	101½	99½	152½ a 152½	..
"	16...	108	108	97½	107	101½	99½	149 a 149½	..
"	23...	108½	108½	97½	107½	101½	99½	148½ a 149	..
"	30...	108	108	97½	107	101½	99½	144½ a 144½	..
June	6...	104	108½	99	107	101½	97½	146 a 146½	..
"	13...	104½	108½	99	106	101½	98	148 a 148½	..
"	20...	108½	108½	98½	106	101	98½	142½ a 143½	..
"	27...	102	107½	98	104	100½	97	146½ a 146½	..
July	11...	104½	105	97½	106	100½	98½	132½ a 132½	..
"	18...	104½	106	98	106½	101	99	125 a 125½	..
"	25...	106½	106½	97	106½	100½	98½	126 a 126½	..
August	1...	104½	106½	96½	106½	101	99½	128½ a 127	..
"	8...	105½	106½	96½	106½	101	99½	126½ a 127	..
"	15...	106½	106½	97	106½	101	99½	125 a 125½	..
"	22...	106	107½	97	107	101½	99½	124½ a 125	..

The inflation in stocks generally has been very great, as manifest in the value of the leading stocks dealt in in the New York market:

	1862.	1863.	Capital.
American Gold.....	115½	126	.....
U. S. Sixes, 1881, Coupon.....	98½	106½	\$69,547,800
" Fives, 1874, ".....	85½	97	27,022,000
" 7 3-10 Treasury notes.....	102½	106½	139,920,500
" Debt Certificates (old).....	98½	101½	157,280,000
" " (new).....	....	99½	25,000,000
" Sixes, 5-20.....	....	100	225,000,000
Virginia Sixes.....	53½	61½	30,889,000
Missouri Sixes.....	46	71	37,000,000
Tennessee Sixes.....	50½	66½	12,193,000
California Sevens.....	95	117	3,885,000
New York Central R. R.....	89½	130	24,000,000
Erie Railroad.....	33½	120	11,000,000
" " preferred.....	62½	110	8,535,700
Hudson River R. R.....	44½	150½	8,758,468
Philadelphia and Reading R. R....	56	120	10,859,000
New York and Harlem R. R.....	14½	168	5,717,000
" " preferred.....	35½	151	1,500,000
Panama Railroad.....	134	190	5,000,000
Michigan Central.....	59½	120	7,899,469
Michigan S. & N. Ind. R. R.....	25	107	6,857,707
" " " guaranteed.....	55½	136	2,983,000
Illinois Central R. R. scrip.....	57½	125	15,277,500
Cleveland and Pittsburg R. R.....	21½	102	3,832,712
Cleveland and Toledo R. R.....	47½	122	3,343,800
Galena and Chicago R. R.....	67½	111	6,028,400
Chicago and Rock Island R. R.....	63	114	5,603,000
Chicago, Burling. and Quincy R. R.	78½	125	4,791,510
Pacific Mail Steamship.....	111	236	4,000,000
Delaware and Hudson Canal.....	97	160	3,500,000
Pennsylvania Coal.....	96½	140	3,000,000

The capital of the railroad stocks named was worth, at the market value of last year, \$70,053,398, and has now risen to \$181,791,204—a rise of \$111,000,000 based entirely upon paper inflation, or loans of money for temporary employment upon those stocks as securities. The rapid advance in these stocks carried most of them to points very much higher than the rates at which they sold in London. Some of them gave large margins to import, and many came to New York. The tendency of money in that direction in July was, as we have said, partly caused by the dullness of business, which at this port was as follows:

IMPORTS, PORT OF NEW YORK.

	Specie.	Free goods.	Consumption.	Entered for Warehouse.	Total.
January.....	\$101,906	\$2,418,649	\$8,741,227	\$4,482,794	\$15,739,676
February.. ..	213,971	783,561	7,372,589	3,657,775	12,037,846
March.....	123,616	1,328,806	11,461,572	3,454,530	16,370,524
April.....	107,061	1,328,216	9,498,830	6,456,208	17,885,315
May	197,217	710,021	7,980,281	5,437,404	14,324,923
June.....	109,997	780,963	6,328,581	5,377,885	12,597,426
July.....	182,245	683,880	9,080,210	4,227,265	14,173,600
Total 7 months	\$1,036,018	\$8,029,186	\$60,458,240	\$33,822,196	\$105,179,581
" 1862....	781,556	16,041,959	60,445,034	30,154,241	107,872,790

The quantity of goods put on the market was much less than for the corresponding month last year, and the duties were considerably less, being \$4,912,718, an average of thirty per cent, against \$7,211,817, or thirty-six per cent, last year. The action of the high tariff is becoming more onerous upon imports in proportion as the prices of produce, which form the means of consumers to buy, decline. The payments of duties are now mostly in gold, and the *Journal of Commerce* has presented the following table of the payments made since the old demand notes were nearly out of the market:

	Interest-bearing Treasury notes.	Old demand U. S. notes.	Coin.	Total duties.
January.....	\$78,992	\$4,047,714	\$1,200	\$4,127,906
February.	398,228	2,983,485	209,000	3,590,713
March.....	287,724	1,149,206	3,117,530	4,554,460
April.....	141,409	618,627	3,197,161	3,957,197
May.....	220,645	534,220	3,119,000	3,873,865
June.....	207,432	444,502	3,087,000	3,738,934
July.....	222,191	411,527	4,279,000	4,912,718
Cents.....	3	.....	.....	3
Total.....	\$1,556,624	\$10,189,281	\$17,009,891	\$28,775,796

We have omitted the cents for convenience, and added them at the foot. This shows a total of \$1,556,624 interest-bearing Treasury notes, \$10,189,281 old demand notes, and \$17,009,891 in specie, received for duties at this port since the 1st of January.

These specie receipts enabled the Treasury to pay off some \$12,000,000 that it borrowed of the banks in gold last winter, and of which the last installment was returned to them August 25th.

The exports from the port for the month of July were as follows:

EXPORTS, PORT OF NEW YORK.

	Specie.	Foreign.		Domestic.	Total.
		Free.	Dutiable.		
January.....	\$4,624,574	\$73,111	\$668,275	\$14,829,398	\$19,695,351
February.....	3,965,664	43,889	610,009	17,780,586	22,400,148
March.....	6,385,442	213,685	758,266	16,187,689	23,695,082
April.....	1,972,834	74,949	376,224	11,581,933	14,004,940
May.....	2,115,679	101,337	602,254	13,183,510	16,002,780
June.....	1,367,774	49,380	298,067	14,780,072	16,495,293
July.....	5,268,881	77,232	448,601	15,298,078	21,092,787
Total 7 months	\$25,900,848	\$633,583	\$3,760,696	\$102,091,261	\$133,386,388
" 1862....	36,048,688	1,435,529	3,000,151	78,055,810	113,535,178

The values of these exports are, in paper, depreciated an average of 40 per cent, which would give an export value of about \$102,000,000, or some \$13,000,000 less than last year. The decline in the prices of produce, caused by the supply and the improved harvests abroad, has much affected the value of exports. The harvests abroad now promise to be such as to cut off much of the export business. The demand for exchange was not active, and following the rates of gold, which drooped under the war news, they were lower:

RATES OF EXCHANGE.

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Jan. 3, 146 a 147½	3.85 a 3.80	56 a 56½	56 a 56½	49½ a 49½	98 a 98½	
" 10, 149 a 152	3.72½ a 3.67½	56 a 58	57½ a 58½	50½ a 51½	99 a 100	
" 17, 160 a 162	3.59½ a 3.45	60½ a 61½	61 a 62½	54 a 55½	108 a 110	
" 24, 162½ a 168	3.50 a 3.45	61 a 61½	61½ a 62½	54 a 54½	107 a 108½	
" 31, 171 a 177	3.32 a 3.15	65½ a 66½	65 a 67	57 a 58½	114 a 117	
Feb. 7, 169 a 173	3.30 a 3.25	65 a 65½	65 a 65½	57 a 57½	114 a 116	
" 14, 170 a 171	3.32 a 3.27	65 a 65½	65 a 65½	56½ a 57½	113½ a 114½	
" 21, 171 a 179½	2.20 a 3.12	67 a 68½	65 a 68½	59 a 60½	118½ a 119½	
" 28, 185 a 188	3.10 a 3.00	67½ a 71	70 a 71	61½ a 62½	123 a 124	
Mar. 7, 167 a 169	3.37½ a 3.30	64 a 64	65 a 66	55 a 55½	111 a 113	
" 14, 168 a 171	3.35 a 3.30	64 a 64	64½ a 65½	55½ a 56½	112 a 114	
" 21, 169½ a 171½	3.87½ a 3.27½	63½ a 63½	63½ a 64½	56 a 57	113 a 114	
" 28, 157 a 161	3.57 a 3.47	61 a 62	61 a 62	53 a 54	107 a 108	
April 4, 168 a 172	3.40 a 3.25	62½ a 63½	62½ a 64	55½ a 57	111 a 111	
" 11, 158 a 162	3.55 a 3.45	61 a 62	61 a 62	53½ a 54½	106 a 108	
" 18, 165 a 167½	3.37½ a 3.45	62½ a 62½	62½ a 63	54½ a 55½	108 a 110	
" 25, 163 a 165	3.47½ a 3.50	61 a 61½	61½ a 62	53½ a 54½	107 a 108	
May 2, 163 a 165	3.47½ a 3.42	61½ a 62½	61½ a 62½	53½ a 54½	107 a 108	
" 9, 168 a 170	3.42½ a 3.32	62½ a 63	62½ a 63½	55½ a 56½	110 a 112	
" 16, 162½ a 164	3.50 a 3.45	61½ a 62	61½ a 62½	54 a 55	107 a 109	
" 23, 161 a 163	3.52 a 3.45	61 a 61½	61½ a 62	54 a 54½	107 a 108	
" 30, 156½ a 158	3.62½ a 3.55	59½ a 60½	60 a 60½	52½ a 53	104½ a 106	
June 6, 158½ a 160	3.57½ a 3.52½	59½ a 61	60 a 60½	52½ a 53½	105 a 106	
" 13, 156 a 161	3.55 a 3.47½	59½ a 61	60 a 61½	52½ a 54	104 a 107	
" 20, 155 a 157	3.62 a 3.57½	58½ a 59	58½ a 59½	51 a 52	103 a 104	
" 27, 159 a 160½	3.55 a 3.50	59½ a 60½	60 a 60½	52½ a 52½	106½ a 107	
July 11, 143 a 146	3.95 a 3.85	54 a 54½	54 a 55½	47½ a 48½	94 a 96	
" 18, 138 a 139	4.07 a 4.02	51½ a 52	50 a 52½	46½ a 46½	92 a 93	
" 25, 138 a 139	4.10 a 4.05	51½ a 52½	51½ a 52½	45½ a 46½	91 a 92	
Aug. 1, 140 a 141½	4.06½ a 4.00	52½ a 53	52½ a 53½	46½ a 47½	92½ a 93½	
" 8, 139½ a 140½	4.06 a 4.00	52½ a 52½	52½ a 52½	46½ a 47	92 a 92½	
" 15, 137½ a 138½	4.12½ a 4.08½	51½ a 52	52 a 52½	45½ a 46	91½ a 92	
" 22, 137½ a 138½	4.12½ a 4.08½	51½ a 52½	52 a 52½	45½ a 46½	90½ a 91½	

The outward flow of specie was somewhat accelerated by the riots in the city during the last two weeks in July. The movement was as follows:

SPECIES AND PRICE OF GOLD.

		1862.		1863.			
		Received.	Exported.	Received.	Exported.	Gold in bank.	Prem. on gold.
January	8.	.....	442,147	.....	681,448	85,954,550	84½ a 84½
"	10.	885,928	1,035,025	1,277,788	726,746	86,770,746	84 a 89
"	17.	.....	547,708	.....	1,860,247	87,581,465	40 a 49
"	24.	627,767	822,918	678,841	780,816	88,549,794	47 a 50½
"	31.	.....	310,484	.....	1,381,027	88,894,840	48½ a 60½
February	7.	854,000	976,285	801,860	1,277,000	88,243,839	57½ a 57½
"	14.	614,146	1,156,154	859,978	1,152,546	88,426,460	53½ a 53½
"	21.	759,247	984,512	.....	520,017	87,981,310	54 a 64
"	28.	741,109	510,774	285,894	1,877,016	89,512,256	71 a 72
March	7.	679,074	585,286	1,248,551	733,643	88,705,089	52½ a 53
"	14.	677,058	477,385	.....	3,540,550	86,110,085	54½ a 54½
"	21.	.....	540,968	249,514	1,201,907	88,955,122	53 a 54½
"	28.	490,368	779,564	159,105	1,050,156	84,317,691	41 a 42
April	4.	581,298	673,826	250,778	473,385	84,257,121	53 a 54
"	11.	.....	1,505,728	250,728	607,059	85,406,145	46 a 52½
"	18.	617,279	698,486	217,602	158,487	86,761,696	52 a 53½
"	25.	635,546	1,151,300	256,604	629,855	87,175,067	47 a 51½
May	2.	410,804	712,275	.....	294,998	86,846,528	48 a 50½
"	9.	484,019	1,574,166	205,067	451,827	88,102,838	55½ a 47
"	16.	604,632	1,098,031	.....	661,996	88,556,552	49 a 49½
"	23.	501,204	988,082	258,570	438,745	88,544,865	48½ a 49
"	30.	224,911	881,452	.....	279,994	87,632,634	44½ a 44½
June	6.	558,085	1,647,299	318,066	411,483	87,241,670	46 a 46½
"	13.	852,891	1,990,827	.....	235,364	87,884,128	48 a 48½
"	20.	612,461	3,156,988	.....	522,147	88,314,206	42 a 48½
"	27.	398,212	3,094,101	187,032	134,432	88,271,702	46 a 46½
July	4.	.....	2,647,060	.....	847,807	88,302,826	44 a 44½
"	11.	641,451	2,424,916	254,947	401,986	88,712,897	82½ a 82½
"	18.	441,179	1,844,023	.....	2,190,781	88,254,427	23 a 23½
"	25.	.....	784,537	.....	1,725,748	86,910,227	26 a 26½
August	1.	G. Date lost.	748,523	270,182	480,374	83,746,681	28½ a 29
"	8.	964,422	890,552	.....	530,044	83,156,548	26½ a 27
"	15.	.....	700,431	313,612	1,210,230	82,874,913	25 a 25½
"	22.	1,089,111	919,825	.....	288,398	81,520,499	24½ a 25
Total....		14,415,892	37,492,862	7,837,597	25,946,396	.....	.....

The quantity of gold received from California diminishes, and more goes direct to Europe. There is, however, a steady drain upon the available amount in the city.

The harvests in Europe are represented better than for seventeen years, and France and England, that last year took 97,000,000 bushels of wheat, will take none this year. American shipping is carrying no freights, and gold seems to be the only dependence with which to meet the payments on the increasing import of goods at higher cost. The apparent balance against the country increases in the double ratio of larger imports and diminished exports. The hope that military success would soon cause a decline in gold and bills, induced remitters for a time to keep out of the market, and, notwithstanding the large importations, there was little increase in the demand for bills. When gold, however, had reached 22½, which was thought low, the demand became larger, and the rate stiffened for both bills and gold.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

CITY BANK RETURNS.

THE main feature in the bank returns this month is the decrease in deposits. In New York city alone the amount returned is about five million dollars less than a month ago, and if we compare the deposits at present reported with the highest point reached since January, we will find there has been a very great falling off.

New York city banks, March 7,	\$174,689,212	Aug. 22,	\$156,588,095
Philadelphia " May 25,	32,455,953	" 17,	29,959,127
Boston " Feb. 9,	35,178,600	" 17,	27,898,073
Total.....	\$242,323,765		\$214,445,295

From the above we see there has been a decrease of about twenty-eight million dollars in the three cities. Much of this is due to the investments being made in government securities, while the present stock speculation has carried off its share.

The decrease in specie in New York city is also remarkable. Only about half a million has been exported, and yet, although the government has been paying its interest in gold, the amount in bank has decreased, since July 25, about four millions. Where this has gone it is difficult to say. We give below our usual returns, brought down to latest dates:

NEW YORK BANKS.

NEW YORK BANKS. (*Capital, Jan., 1863, \$69,494,577; Jan., 1862, \$69,493,577.*)

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
January 3.....	\$173,810,009	\$35,954,550	\$9,754,355	\$159,163,246	\$186,861,762
" 10.....	173,816,010	36,770,746	9,551,563	162,878,249	249,796,489
" 17.....	176,606,558	37,581,465	9,241,670	164,666,003	314,471,457
" 24.....	179,288,266	38,549,794	9,083,419	168,269,228	298,861,366
February 7.....	179,892,161	33,243,899	8,780,154	166,342,777	302,352,571
" 14.....	178,103,592	38,426,460	8,756,217	167,720,880	266,189,104
" 21.....	178,336,880	37,981,310	8,752,536	170,103,758	291,242,929
" 28.....	179,958,342	39,512,256	8,789,969	173,912,695	340,574,444
March 7.....	181,098,322	39,705,089	8,693,175	174,689,212	344,434,442
" 14.....	177,875,949	36,110,085	8,657,016	172,944,084	307,370,817
" 21.....	173,829,479	33,955,122	8,609,723	167,004,466	277,331,351
" 28.....	172,448,526	34,317,691	8,560,602	163,863,846	281,326,258
April 4.....	173,038,019	34,257,121	8,348,094	160,216,418	287,347,704
" 11.....	170,846,283	35,406,145	8,178,091	159,894,731	264,468,080
" 18.....	169,182,522	36,761,696	8,039,558	164,122,146	259,417,565
" 25.....	171,079,323	37,175,067	7,555,549	167,863,999	258,654,781
May 2.....	177,364,956	36,346,528	7,201,169	167,696,916	355,557,732
" 9.....	180,114,983	33,002,633	7,080,565	163,656,513	367,560,731
" 16.....	180,711,072	38,556,642	6,901,700	168,879,180	353,346,664
" 23.....	181,319,851	38,544,865	6,780,478	167,655,658	380,304,748
" 30.....	181,825,856	37,692,634	6,494,375	166,361,121	307,680,918
June 6.....	182,745,080	37,241,670	6,341,091	162,767,154	289,757,539

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
" 13,.....	180,808,828	37,884,128	6,210,404	159,551,150	302,377,276
" 20,.....	177,083,295	38,314,206	6,120,252	157,128,301	259,483,221
" 27,.....	175,682,421	38,271,202	6,004,177	158,589,308	264,819,856
July 4,.....	174,337,384	38,802,828	5,998,914	158,642,825	267,785,773
" 11,.....	175,087,485	38,712,397	5,927,071	160,738,496	319,945,652
" 18,.....	173,126,887	38,254,427	5,880,623	163,319,544	251,168,769
" 25,.....	173,086,836	38,910,227	5,775,188	164,133,549	284,684,421
August 1,.....	176,208,597	38,746,681	5,700,452	161,178,146	292,211,821
" 8,.....	176,559,840	38,156,548	5,706,024	155,868,116	297,384,006
" 15,.....	175,805,471	32,874,913	5,618,177	155,960,043	298,936,160
" 22,.....	175,713,139	31,620,499	5,545,970	156,588,095	278,755,630

BOSTON BANKS.

BOSTON BANKS. (*Capital, Jan., 1863, \$38,231,700; Jan., 1862, \$38,231,700.*)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5,...	\$77,839,046	\$7,672,028	\$3,190,496	\$33,372,648	.....	.....
" 12,...	77,427,178	7,751,000	8,373,000	33,063,800	17,006,000	13,520,000
" 19,...	76,624,700	7,710,600	8,199,600	33,382,000	16,647,800	13,727,700
" 26,...	76,354,400	7,710,700	8,008,500	33,847,000	16,811,700	13,958,000
Feb. 2,...	76,496,800	7,685,000	8,865,000	34,076,800	16,889,000	14,490,000
" 9,...	78,421,000	7,707,000	8,074,000	35,178,600	16,932,000	14,183,000
" 16,...	78,481,000	7,794,000	8,001,000	34,908,000	17,070,700	14,095,500
" 23,...	78,782,600	7,624,000	8,092,000	34,965,500	17,331,000	14,683,800
Mar. 2,...	79,127,500	7,553,000	8,001,930	35,245,500	17,523,500	15,004,000
" 9,...	79,274,700	7,582,000	8,225,000	35,215,000	17,340,400	14,446,500
" 16,...	79,686,184	7,609,238	7,780,062	32,955,149	17,230,800	13,434,500
" 30,...	77,985,000	7,572,600	7,593,800	31,604,500	17,074,400	11,601,300
April 6,...	76,933,600	7,703,800	7,963,500	32,687,080	15,444,000	12,280,600
" 13,...	74,551,013	7,812,895	7,762,915	32,494,822	14,557,000	12,947,800
" 20,...	73,459,160	7,799,315	7,278,506	33,209,742	14,132,000	12,653,000
" 27,...	78,558,000	7,838,800	7,040,000	32,781,500	13,808,000	11,966,700
May 4,...	73,218,155	7,854,731	7,433,496	31,949,762	13,237,700	11,622,600
" 11,...	73,062,789	7,847,849	7,688,238	31,309,985	13,147,000	11,800,000
" 18,...	73,068,598	7,794,046	7,167,327	32,192,770	12,863,500	11,732,000
" 25,...	72,874,000	7,777,000	7,011,700	33,000,000	12,787,000	11,748,000
June 1,...	73,424,000	7,751,000	6,913,000	32,575,000	12,735,000	10,704,500
" 8,...	73,592,000	7,738,567	7,030,286	31,723,235	12,626,700	10,874,700
" 15,...	73,237,000	7,730,000	7,109,000	31,477,600	12,235,500	10,541,000
" 22,...	73,351,000	7,697,000	7,344,500	31,355,800	12,504,600	10,914,700
" 29,...	73,421,084	7,683,987	7,040,624	31,477,596	12,383,000	10,900,000
July 6,...	73,548,918	7,744,327	7,478,800	31,509,233	12,233,000	10,891,000
" 13,...	73,485,675	7,774,991	7,508,442	30,277,502	12,193,000	10,712,000
" 20,...	73,421,000	7,684,000	7,401,500	29,287,000	13,802,000	10,154,600
" 27,...	72,850,716	7,811,513	7,246,797	28,011,671	12,950,000	9,864,800
Aug. 3,...	72,890,364	7,793,916	7,317,402	28,384,096	12,655,000	9,646,000
" 10,...	71,997,503	7,798,276	7,440,212	28,247,266	12,822,673	10,135,180
" 17,...	71,860,078	7,813,497	7,198,917	27,898,073	12,765,527	9,603,257

PHILADELPHIA BANKS.

PHILADELPHIA BANKS. (*Capital, Jan., 1863, \$11,740,080; 1862, \$11,970,180.*)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5,...	\$37,879,675	\$4,510,750	\$4,504,115	\$28,429,189	\$6,948,785	\$1,994,928
" 12,...	37,533,757	4,544,786	4,450,676	28,018,792	6,890,963	1,842,932
" 19,...	37,416,694	4,549,369	4,382,520	27,877,069	7,050,847	2,275,905
" 26,...	37,479,712	4,572,419	4,284,947	28,773,517	6,755,980	2,638,985

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Feb 2,...	87,268,894	4,562,680	4,181,508	29,231,758	6,898,210	2,909,857
" 9,...	87,386,867	4,819,706	4,039,918	28,062,164	6,953,215	2,518,086
" 16,...	87,710,851	4,272,347	3,888,185	28,769,049	7,452,563	2,432,073
" 23,...	87,720,460	4,276,761	3,772,781	29,842,596	7,413,249	2,703,196
Mar. 2,...	87,901,080	4,267,626	3,696,097	30,178,518	7,185,670	2,768,852
" 9,...	88,603,371	4,249,085	3,608,870	30,679,259	7,100,258	2,499,139
" 16,...	89,260,028	4,247,817	3,534,880	30,549,587	7,476,603	1,939,449
" 23,...	89,458,384	4,247,688	3,295,862	30,106,135	7,418,482	1,935,014
" 30,...	88,937,612	4,311,704	3,369,194	29,171,283	6,504,768	2,168,007
Apr. 6,...	87,516,520	4,339,252	3,374,417	29,531,559	5,768,558	2,770,129
" 13,...	86,250,402	4,343,242	3,296,685	30,117,527	5,953,809	3,014,229
" 20,...	86,295,644	4,343,988	3,185,042	31,059,644	5,306,809	3,018,727
" 27,...	86,482,058	4,346,377	3,078,921	31,021,799	5,448,124	2,559,868
May 4,...	86,587,294	4,355,324	2,989,428	30,859,231	5,328,898	2,891,087
" 11,...	86,593,179	4,359,865	2,901,600	30,949,781	4,975,939	2,542,792
" 18,...	86,887,301	4,357,119	2,866,121	31,892,308	4,640,623	2,536,279
" 25,...	87,116,093	4,367,169	2,808,109	32,455,953	4,623,392	2,480,714
June 1,...	87,143,937	4,357,021	2,706,958	31,888,763	4,707,278	2,363,548
" 8,...	87,157,769	4,357,076	2,649,283	31,549,339	4,645,712	2,318,744
" 15,...	87,228,627	4,367,025	2,621,098	31,648,959	4,914,425	2,892,276
" 22,...	87,219,216	4,356,744	2,596,115	31,293,830	4,868,495	2,065,913
" 29,...	87,250,665	4,359,543	2,556,355	31,466,204	5,116,693	1,820,600
July 6,...	85,936,811	4,360,745	2,564,558	28,504,544	5,060,096	1,961,814
" 13,...	84,866,842	4,360,008	2,507,253	28,701,813	4,784,343	2,530,552
" 20,...	84,662,966	4,361,999	2,462,986	29,981,608	4,680,822	2,981,867
" 27,...	84,517,347	4,227,448	2,418,463	30,448,439	4,805,045	3,034,009
Aug. 3,...	84,390,179	4,187,056	2,417,739	30,799,448	4,963,290	2,772,717
" 10,...	84,645,243	4,112,013	2,380,720	30,513,961	4,740,391	2,538,096
" 17,...	85,390,179	4,112,542	2,353,396	29,959,127	5,161,578	2,168,440

The following is a statement of the amount of United States legal tender notes held by the Philadelphia banks at the dates mentioned :

June 22,.....	\$6,082,729	July 27,.....	\$7,903,732
" 29,.....	6,952,150	Aug. 3,.....	8,430,782
July 6,.....	5,953,622	" 10,.....	7,780,640
" 13,.....	6,916,751	" 17,.....	7,530,339
" 20,.....	7,066,593		

BANK OF ENGLAND.

The following comparative table will be of interest, affording as it does a view of the bank returns, the bank rate of discount, and the price of wheat in London during a period of three years corresponding with the date of our last returns, August 5th :

At corresponding dates with the week ending August 5, 1863.	1861.	1862.	1863.
Circulation, including bank post bills...	£21,084,700	£23,378,393	£22,540,809
Public deposits.....	3,843,763	6,151,358	5,577,268
Other deposits.....	11,818,980	15,232,969	13,790,855
Government securities.....	9,900,809	10,986,007	11,038,426
Other securities.....	17,909,850	19,079,200	19,153,801
Reserve of notes and coin.....	6,663,500	10,020,418	7,818,355
Coin and bullion.	12,360,445	17,956,938	14,843,185
Bank rate of discount.....	5 per cent.	2 p. cent.	4 per cent.
Average price of wheat... ..	51s. 3d.	57s. 8d.	45s. 11d.

Subjoined is our usual table with the returns brought down to August 5th, 1863:

WEEKLY STATEMENT.

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 17...	£19,932,360	£8,507,144	£14,033,994	£30,539,363	£15,031,658	3 pr. ct.
" 24...	20,150,398	8,654,499	14,306,497	31,346,731	14,870,795	3 "
" 31...	20,516,435	8,388,717	15,469,254	32,488,020	14,956,421	3 "
Jan. 7...	20,927,993	8,782,808	14,393,308	32,620,233	14,635,555	3 "
" 14...	21,018,849	4,280,730	16,772,782	31,165,075	14,102,169	4 "
" 21...	20,893,931	4,965,798	14,993,225	30,227,086	13,855,849	4 "
" 28...	20,771,236	5,416,868	14,414,763	30,238,865	13,611,823	5 "
Feb. 4...	20,709,154	6,351,617	13,852,287	29,997,233	13,692,136	5 "
" 11...	20,444,454	6,952,808	13,596,356	30,288,406	14,070,661	5 "
" 18...	19,916,496	7,413,275	13,769,276	29,890,503	14,589,222	4 "
" 25...	19,715,828	7,901,658	13,367,153	29,709,079	14,614,096	4 "
Mar. 4...	20,322,055	8,036,003	13,368,086	30,880,806	14,504,517	4 "
" 11...	19,801,665	8,673,899	13,282,605	31,096,327	14,328,178	4 "
" 17...	20,012,331	9,343,499	13,003,088	31,482,170	14,547,812	4 "
" 24...	20,136,276	10,364,471	12,742,282	31,396,338	15,026,274	4 "
Apr. 1...	20,965,228	10,107,041	13,172,090	32,775,752	15,141,755	4 "
" 8...	21,279,339	6,714,109	14,829,832	30,946,784	14,963,835	4 "
" 15...	21,326,320	5,769,274	15,013,391	29,974,677	15,229,237	4 "
" 22...	21,413,226	6,316,413	14,739,897	30,182,533	15,387,151	3 "
" 29...	21,452,800	7,178,312	13,606,939	29,994,349	15,348,492	3 1/2 "
May 6...	21,376,999	7,241,739	13,122,087	29,718,602	15,141,760	3 "
" 13...	21,252,916	6,735,137	13,727,556	30,201,120	14,653,141	3 "
" 20...	21,268,315	7,610,278	13,983,654	31,484,815	14,529,461	4 "
" 27...	20,909,819	8,002,346	13,842,718	31,412,190	14,500,019	4 "
June 3...	21,009,892	8,779,387	13,896,450	32,389,044	14,425,553	4 "
" 10...	21,080,460	9,782,830	13,783,263	33,240,192	14,556,121	4 "
" 17...	20,655,473	9,882,135	13,904,506	32,750,963	14,850,156	4 "
" 24...	20,525,665	10,279,053	13,809,996	32,756,459	15,026,118	4 "
July 1...	21,738,756	10,356,373	16,274,739	36,490,515	15,080,271	4 "
" 8...	22,038,478	5,593,834	18,595,718	34,647,336	14,824,969	4 "
" 15...	22,194,996	4,918,458	16,381,914	32,052,521	14,749,876	4 "
" 22...	22,230,612	5,886,948	14,675,625	30,975,774	14,620,872	4 "
Aug. 5...	22,340,809	5,577,268	13,790,855	30,239,227	14,348,185	4 "

NEW YORK CLEARING HOUSE ASSOCIATION.

PROCEEDINGS OF A MEETING HELD JUNE 23D, 1863, INCLUDING A REPORT OF THE TAX COMMITTEE, AND THE OPINION OF BENJAMIN D. SILLIMAN, ESQ., ON THE SUBJECT OF STATE TAXATION.

NEW YORK CLEARING-HOUSE, }
Tuesday, June 23, 1863. }

By request of the special committee, to whom was referred the subject of bank taxation, a meeting of the Clearing-house Association was held at the American Exchange Bank, at twelve o'clock, M.

THOMAS TILSTON, Esq., in the chair.

Thirty-five banks were represented.

On motion, the reading of the minutes of the meeting of June 8th was dispensed with.

GEORGE S. COE, Esq., chairman of the special committee on taxation, presented a report which was read by the manager of the Clearing-house, as follows, viz.:

The undersigned, a committee appointed at a meeting of the Clearing-house Association, held on the 27th of March last, to consider and report upon all matters relating to the taxation of banks both, under National and State laws, beg leave to report :

That their action has been delayed by both the proposed and actual legislation of the State Legislature, which was in session when, and for some time after your committee were appointed, and by the pendency of certain legal proceedings, involving the decision of some of the questions referred to them, and also by the frequent recurrence of new rulings by the United States Commissioner of Internal Revenue, as to the requirements of the act of Congress to provide internal revenue, and the amendments thereto.

The branch of the subject referred to your committee, which, as the most pressing, first received their attention, was the taxation of banks by and under the authority of the State.

As the consideration of this subject involved a question of vital importance to the banks, the decision of which by the Tax Commissioners of this city, had been contested in the highest court of the United States by two members of the Clearing-house Association, your committee found it necessary to employ legal advice thereupon, and therefore retained BENJAMIN D. SILLIMAN, Esq., as their counsel. Acting under the advice of that gentleman, your committee, on the 21st of April last, made a report by circular, a copy of which is herewith submitted ; specially, upon the taxation of banks by and under State authority, enclosing two forms of returns, marked A and B, with certain affidavits and exemption claims attached, copies of which are herewith presented, recommending the banks to make their returns to the Tax Commissioners, as of the 12th day of January, 1863, and to use one or the other of the two forms of statement prepared by the committee, instead of the form furnished by the Tax Commissioners. Your committee have reason to believe that their recommendation was very generally adopted by the banks at that time. Entertaining no doubt, after a careful examination of the subject, that under the existing laws of Congress and of the State, so much of the capital of the banks as was invested in the securities of the United States was exempt from all taxation by or under State authority, your committee considered that branch of the subject referred to them as disposed of, so far as they were concerned. But on the 29th of April last, the Legislature of the State enacted "that all banks, banking associations, and other moneyed corporations and associations, shall be liable to taxation, on a valuation equal to the amount of their capital stock, paid in, or secured to be paid in, and their surplus earnings, (less ten per cent of such surplus,) in the manner now provided by law, deducting the value of real estate held by any such corporation or association, and taxable as real estate."

The whole question as to the liability of the banks to taxation by State authority, was thus reopened, and your committee again sought advice from their counsel, submitting to him the following questions for his opinion, viz. :

Does the act relating to the taxation of moneyed corporations and associations, passed at the late session of the Legislature, (chap. 240, laws of 1863,) deprive the banks of all exemption from taxation on United States stocks ?

Does the act apply to the tax assessed for the present year ?

Your committee herewith submit the written opinion of their counsel upon these questions.

To the Bank Committee on the Subject of Taxes :

GENTLEMEN : In reply to your inquiry whether the act in relation to the "taxation of moneyed corporations and associations," passed at the late session of the Legislature, (chap. 240, laws of 1863,) deprives the banks of all exemption from taxation on United States stocks, and whether it applies to the taxes for the present year, I respectfully submit the following opinion:

That act is in these words :

"SECTION 1. All banks, banking associations, and other moneyed corporations and associations, shall be liable to taxation on a valuation equal to the amount of their capital stock paid in, or secured to be paid in, and their surplus earnings (less ten per cent of such surplus,) in the manner now provided by law, deducting the value of the real estate held by any such corporation or association, and taxable as real estate."

While the case cannot be regarded as free from doubt, I think the act should not be held to deprive moneyed corporations from exemption from taxation on United States stocks.

1. Whether property, consisting of such stocks (held either by corporations or individuals,) can be taxed by State authority, is not an open question.

The Supreme Court of the United States has expressly decided that the capital and property of a bank invested in such stocks cannot be so taxed. (The People ex rel. Bank of Commerce in New York *vs.* the Tax Commissioners, etc.)

If, therefore, the taxation contemplated by the act of the last session of the Legislature, is a taxation of *property*, it cannot, by the mere mode of its imposition, reach the property of moneyed corporations invested in United States securities.

Does this act then contemplate the taxation of *property* of moneyed corporations, as heretofore, or is such property no longer to be subject to taxation, and does the act substitute for such taxation an annual *license fee* to be paid by such corporations? It must intend one or the other.

It does not profess either by its title or its provisions, to exact an annual license fee from such corporations. It does not profess to exact a bonus as the annual charge for the corporate privilege of carrying on business. It does not profess to impose a tariff or duty upon them as corporations, to be measured by the percentage of taxation imposed on the property of others, but the subject is squarely treated as that of *taxation*, and that taxation (like all other taxation under our statutes) is proportioned to the *property* of the corporation, and is to be imposed "in the manner now provided by law." The subject-matter of taxation by our standing general statutory law, is *property*, and taxes have always been imposed in *proportion to the value of such property*. Chap. 13, part 1, of the Revised Statutes, is entitled, "Of the Assessment and Collection of Taxes."

The first title of this chapter treats "*of the property liable to taxation*," and the first section of that chapter provides that "all *lands* and all *personal estate* within this State, whether owned by individuals or by *corporations*, shall be liable to taxation." * * *

The 3d section of the same title declares that the terms "*personal estate*" and "*personal property*," whenever they occur in that chapter, (shall among

other things) "be construed to include such portion of the capital of incorporated companies liable to taxation on their capital as shall not be invested in real estate." Thus taxation throughout, is upon *property*, and no other taxation is known to our laws.

Licenses, whenever imposed, have been imposed as licenses, and not as taxes. When "duties" have been imposed (as upon auctioneers) they have been described in the statute as "duties," not as taxes.

The act in question provides for *taxation* of banks, "on a valuation equal to the amount of their capital stocks paid in, * * * * * and their surplus earnings." * * *

Valuation of what? Clearly of *property*, i. e., of the capital and surplus earnings.

2. Not only is this taxation to be on the *valuation of property*, but it is to be assessed and imposed "*in the manner now provided by law.*"

What that "manner" is, the general statute clearly defines. It relates wholly to the taxation of property. It specifies the place in which property (of corporations as well as of persons) is to be *assessed* for taxation; and then "of the *manner* in which assessments" are to be made, and the duties of the "assessors."

Under this head the form of assessment rolls is prescribed—the times when they shall be completed—where they shall be left—the notices to be given by the assessors, of the times and places when and where they will review their reports—and the mode of proceeding by the assessors and the assessed in correcting the same—and of the proceedings by the supervisors in relation to the taxes on such assessments—and of the disposition to be made of the taxes when imposed and collected. (The provisions in this respect of the special act of 1857, chapter 677, relating to the city of New York, are substantially the same.) All these provisions are necessary in the taxation of property, but they would be wholly unnecessary in the mere imposition of a license fee or bonus. But the provision in the act of 1863, that the taxation of moneyed corporations shall be made "in the manner now provided by law," requires that the assessment, like that of all other property, is to be entered in the assessment rolls, and that it is to be framed, filed, noticed, and corrected, "in the manner now provided by law" for taxation of *property*.

If the assessors should err in the amount of the "capital stock paid in, or secured to be paid in," and "the amount of surplus earnings," etc., their assessment rolls would, under this act, be subject to correction. In other words, if they over-estimate the amount of the property, (the capital stock and surplus earnings,) their estimate is to be corrected as in the case of property of individuals.

Thus the whole plan and machinery of the law for the imposition of *taxes*, as well since as before the passage of the act of 1863, contemplate and treat of the *taxation of property*, and this act places the taxation of moneyed corporations on the same footing with that of other persons, when it declares that such taxation shall be "in the manner now provided by law." Now, whatever may have been the unavowed intent of the Legislature, it is not apparent that they have, by the act in question, done anything more than direct the assessor to assume a fixed *estimate or valuation of the property of moneyed corporations* (so far as the one item of capital is concerned,) and that the tax on their property shall, as to that item, be on such arbi-

trary valuation, instead of being on a valuation to be ascertained by the assessor, in the mode heretofore prescribed. It thus relieves the assessor from inquiring into the actual condition of the capital paid in, but, as to the rest of the property (the surplus) the mode of taxation is the same as before.

Nor is the tax any the less a tax on the *property* of the corporation, because of its being estimated at its nominal instead of its actual value. Prior to 1857, moneyed corporations were assessed for the purpose of taxation, on the nominal instead of the actual value of their capitals. But it was never claimed, or dreamed, that such assessment or such taxation, was upon aught else than property.

3. But, more than all, the general law makes all property, "whether owned by individuals or by corporations, liable to taxation."

Now if the act of 1863, imposes only a *license fee*, does it not follow that banks are to pay the amount to which they are liable for taxation twice over, once in the shape of a tax, and again in the shape of a license fee?

The general provision that their *property* shall be taxed is not repealed. The conclusion seems irresistible, that if the act of 1863 intends taxation on property, then United States securities cannot be reached, or if it intends a license fee, then in addition to its taxes on taxable property, every bank must pay a like amount for such fee.

For the reasons stated, I think the act of 1863 contemplates taxation on property, and not a bonus or license fee, for carrying on corporate business.

I have assumed that it is competent for the Legislature to impose a license fee on banks. It is not necessary to discuss that question for the purpose of this opinion.

It is, however, to be remembered, that this act was passed immediately after, and in consequence of the decision of the United States Supreme Court, on the subject of government securities.

The courts, in construing a statute, will take judicial cognizance of such a fact, but they will not judicially enact a law which the Legislature has omitted to do; still less will they do so where the object sought to be accomplished is an evasion of paramount law.

4. There would perhaps be room for argument that the act could not affect the taxes for the year which had commenced three months before its passage; but as the taxes are not in form imposed until a later period of the year, I think the act would be held to reach those of the current year.

Respectfully yours,

BENJ. D. SILLIMAN.

Recently the banks have been notified by the Tax Commissioners that they have corrected the returns made to them, by excluding the claim for exemption from taxation on United States securities, and assessing their capital and real estate as heretofore, and that the assessment rolls, as corrected, would be returned to the Board of Supervisors on the first of July next.

If the members of the Association decide to press their claim for exemption from the State tax on capital invested in United States securities, either jointly or severally, immediate action is necessary.

Your committee ask for instructions on this branch of the subject referred to them, or to be discharged from its further consideration.

NEW YORK, *June 23, 1863.*

Respectfully submitted,

GEORGE S. COE, A. E. SILLIMAN, J. M. MORRISON, JOS. M. PRICE, R. H. LOWRY,	}	<i>Committee.</i>
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GEORGE D. LYMAN, *Secretary.*

On motion, the report of the committee was accepted and ordered to be entered on the minutes.

The committee was then discharged from further consideration of the subject of State taxation.

A resolution was then discussed but not adopted, and a committee of ten bank officers appointed to be present at the Court of Appeals, on the 26th inst., to hear the arguments in the case of the Metropolitan Bank and Shoe and Leather Bank, respondents, against H. H. VAN DYCK, Superintendent of the Banking Department, appellant, involving the question of the constitutionality of the United States legal tender notes.

The meeting then adjourned.

GEORGE D. LYMAN, *Acting Secretary.*

APPENDIX.

NEW YORK CLEARING-HOUSE, *April 21, 1863.*

SIR: The undersigned, your committee, appointed at a meeting of the Clearing-house Association, held on the 27th of March last, to consider and report upon all matters relating to National and State taxation of banks, beg leave to report at this time specially upon the subject of State taxation. They herewith enclose two blank forms of statement to be made to the Tax Commissioners, which have been adopted under advice of counsel. These forms, with affidavits annexed, are marked A and B: Statement A, for the use of banks whose investment in United States securities and real estate *exceed* the amount of their capital, and Statement B, by such banks as are *not* wholly exempt from taxation on their personal estate.

It will be observed that your committee recommend that the statements be made as of the 12th day of January, 1863, as required by the Tax Commissioners. The reason for this requirement is, that upon that day the books containing the assessments of real and personal estate were opened for examination and correction.

Your committee have under consideration other branches of the important subject referred to them.

Respectfully yours,

GEORGE S. COE, A. E. SILLIMAN, JAMES M. MORRISON, J. M. PRICE, R. H. LOWRY,	}	<i>Committee.</i>
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SCHEDULE A.

NEW YORK, *January 12th*, 1863.

Statement made and delivered to the Commissioners of Taxes and Assessments of the city and county of New York, for and in behalf of the

— in pursuance of the provisions of Title IV., Chap. XIII., Part I, of the Revised Statutes of the State of New York, and of the acts amendatory thereof, Chap. 654, Laws of 1853, and Chapters 456 and 536, Laws of 1857.

1. Real estate owned by the said

viz.:

situated in

Sum actually paid therefore

\$

2. Capital stock of the said

actually paid in and secured to be paid in

} \$

EXCEPTING THEREFROM

Amount paid for Real Estate as above stated,

\$

Amount of the said Capital Stock held by the State

\$

Amount of the Capital Stock held by

\$

Being incorporated Institution

3. Amount of surplus profits or reserved funds, exceed-
ing ten per cent of the Capital of this bank, \$. . . . }

\$

This bank held and owned at the date above named, stocks, bonds and other securities of the United States, to the amount of \$, as per schedule annexed, and claims exemption from taxation on its capital to that amount.

4. The
financial business of the said
in the
No.

office or the place of transacting the
is situated
Ward of the city of New York, at
street.

Dated *January 12th*, 1863.

CITY OF NEW YORK, ss. I of the
being duly affirmed, do hereby certify and declare, that to the best of my knowledge and belief the foregoing statement was in all respects just and true at the date thereof, to and of which date said statement is made, as made, as required by the Tax Commissioners.
Affirmed before me, this }
day of 1863. }

CITY AND COUNTY OF NEW YORK, ss. I of the
being duly sworn, depose and say, that the said held and
owned, on the 12th day of January, A. D., 1863, stocks, bonds, and other
securities of the United States, to the amount of \$ the

same being exempt from taxation "by or under State authority," and that the total value of all other personal estate of the said

at that date, did not exceed the amount of debts due from said

I therefore respectfully claim on behalf of said
and as the representative thereof, that it had no
taxable personal estate over and above the amount of debts due from said
(excluding property exempt by law from taxation.)
and that no tax can, by law, be laid on said save
as to its Real Estate.

Affirmed before me, this

day of

A. D., 1863. }

SCHEDULE B.

NEW YORK, *January 12th*, 1863.

Statement made and delivered to the Commissioners of Taxes and Assessments of the city and county of New York, for and in behalf of the

_____ in pursuance of the provisions of Title IV., Chap. XIII., Part I, of the Revised Statutes of the State of New York, and of the acts amendatory thereof, Chap. 654, Laws of 1853. and Chapters 456 and 536, Laws of 1857.

1. Real estate owned by the said

viz.:

situated in

Sum actually paid therefor

\$

2. Capital stock of the said

actually paid in and secured to be paid in

} \$

EXCEPTING THEREFROM

Amount paid for Real Estate as above stated,

\$

Amount of the said Capital Stock held by the State,

\$

Amount of the Capital Stock held by

\$

Being incorporated Institution

3. Amount of surplus profits or reserved funds, exceed- }
ing ten per cent of the Capital of this bank, \$. . . . }

This bank held and owned at the date above named, stocks, bonds, and other securities of the United States, to the amount of \$
as per schedule annexed, and claims exemption from taxation on its capital to that amount.

4. The
financial business of the said
in the
No.

office or the place of transacting the
is situated
Ward of the city of New York, at
street.

Dated *January 12th*, 1863.

CITY OF NEW YORK, ss. I of the
being duly affirmed, do hereby certify and declare, that to the best of my
knowledge and belief the foregoing statement was in all respects just and
true at the date thereof, to and of which date said statement is made, as
required by the Tax Commissioners.
Affirmed before me, this }
day of 1863. }

CITY AND COUNTY OF NEW YORK, ss. I of the
being duly sworn, depose and say, that the said held and
owned, on the 12th day of January, A. D., 1863, stocks, bonds, and other
securities of the United States, to the amount of \$ the
same being exempt from taxation "by or under State authority," and
that the total value of all other personal estate of the said
at that date, exceeded the amount of debts due from said
in the sum of \$ I therefore respectfully claim, on be-
half of said and as the representative thereof, that
it had no taxable personal estate over and above the amount of debts due
from said (excluding property exempt by law from
taxation,) excepting the said sum of \$ and that no tax
can, by law, be laid on said save on said sum of
\$ and on its Real Estate.
Affirmed before me, this }
day of A. D., 1863. }

WISCONSIN BANKS.

The statement of the Wisconsin banks on the 6th July, was as follows :

Capital.....	\$3,497,000 00
Circulation.....	2,436,109 00
Deposits.....	5,278,905 64
Specie.....	336,938 77
Cash items.....	160,508 85
Public securities.....	2,513,221 00

MISSOURI STATE DEBT.

The Auditor's report of Missouri states the debt of Missouri on the 1st of January last :

State bonds proper.....	\$602,000
Revenue bonds.....	431,000
Railroad bonds issued.....	23,701,000
Defense warrants.....	1,246,000
School fund borrowed by State.....	900,000
Bills payable to sundry banks.....	1,278,000
Total.....	\$38,158,000

This is not inclusive of the debt incurred to meet the expenses of the war, as payment of that will be provided for by the general government. Nor does it include an issue of \$15,000,000 authorized by the secession Legislature, under the direction of the secession Governor JACKSON, a large amount of which was disposed of at a very low price. It has been

proposed by Governor GAMBLE, the present executive, to assume this as a portion of the debt of the State, on the basis of 66 $\frac{2}{3}$ per cent, by an issue of new bonds to the amount of \$10,000,000.

CONDITION OF THE NEW YORK STATE BANKS.

The following summary shows the aggregate of the resources and liabilities of the banks of the State of New York, as exhibited by their reports to the Superintendent, of their condition on the morning of June 13, 1863, and March 28, 1863. The returns for December, 1862, will be found in vol. 48, page 486 of the *Merchants' Magazine*:

LIABILITIES.			
	June 13, 1863.		March 28, 1863.
Capital.....	\$108,499,653		\$108,148,202
Circulation.....	82,261,462		85,506,606
Profits.....	19,408,386		15,732,206
Due banks.....	49,198,323		52,601,382
Due individuals and corporations other than banks and depositors.....	2,079,981		2,171,144
Due Treasurer of the State of New York.....	4,707,806		5,855,990
Due depositors on demand.....	218,717,725		221,544,847
Amount due not included under either the above heads.....	2,496,894		2,313,789
Add for cents.....	506		.....
Total.....	\$436,419,085		\$444,894,124
RESOURCES.			
Loans and discounts.....	\$183,647,488		\$183,864,689
Overdrafts.....	463,785	\$3,261 and	519,430
Due from banks.....	22,404,373		26,764,858
Due from directors.....	\$6,198,572	\$6,892,741	.....
Due from brokers.....	6,311,600	10,231,464	.....
Real estate.....	11,300 and 8,972,098	11,500 and	9,200,498
Specie.....	40,250,309		36,802,438
Cash items.....	48,482,170		50,181,845
Stocks, promissory and U. S. 7 3-10 notes and indebtedness certificates.....	109,491,478		104,704,400
Bonds and mortgages.....	\$86,000 and 5,731,518		6,106,461
Bills of solvent banks and U. S. demand notes.....	15,790,539		25,778,361
Bills of suspended banks.....	\$65 and 245	\$45 and	429
Loss and expense account.....	1,191,229		975,350
Add for cents.....	918		.....
Total.....	\$436,419,685		\$444,894,124

To show the remarkable changes in the returns during the war, we give the movement since September, 1861, in the four principal items of the quarterly reports:

Date.	Circulation.	Deposits.	Specie.	Discounts.
September, 1861...	\$28,016,748	\$111,895,016	\$38,087,727	\$176,055,848
March, 1862...	28,380,973	121,988,259	34,301,092	162,017,987
June, 1862...	33,727,382	150,438,244	32,882,693	184,501,261
September, 1862...	37,557,373	186,890,795	39,283,981	165,584,068
December, 1862...	32,182,819	191,537,897	37,803,047	178,922,586
March, 1863...	35,506,606	221,514,347	36,802,438	183,864,099
June, 1863...	82,261,462	218,717,725	40,250,309	183,617,438

From the above it will be seen that the circulation which, in December, 1862, had increased about \$11,000,000, has again decreased \$7,000,000.

JOURNAL OF MINING, MANUFACTURES, AND ART.

THE PENNSYLVANIA IRON BUSINESS.

We find the following account in a Philadelphia paper, and copy it entire, as it appears to be a very carefully prepared review of the Pennsylvania iron business during the last year:

The condition of the iron making districts of Pennsylvania was greatly improved during the past year, under the stimulus of a constant demand for iron at remunerative prices. In the Schuylkill district the following anthracite furnaces were in blast:

William Penn	2	Reading.....	1
Spring Mill.....	1	Pioneer.....	1
Merion.....	1	Leesport.....	1
Swede.....	1	Robeonia.....	2
Phoenix.....	3	Plymouth.....	1
Keystone.....	1		
Henry Clay.....	2	Total.....	17

Making 76,000 tons of iron. Those not in blast were one of the Swede furnaces, one at Norristown, Port Kennedy and Hopewell, four only. The production of the Schuylkill district proper was, in all, of anthracite and charcoal iron, about 80,000 tons; that of charcoal iron, from the Longswamp and one or two other furnaces, being about 4,000 tons.

The Lebanon Valley had the following furnaces in blast:

At North Lebanon.....	3
At Cornwall.....	2
The Donaghmore.....	1

In all six, and making about 30,000 tons of pig iron in 1862. The iron ore from the magnificent Cornwall mines is carried to a large number of furnaces on the Schuylkill and Susquehanna, in addition to supplying the furnaces in its vicinity, in consequence of its peculiar value for mixing with the ordinary ores.

In the Lehigh district the production of iron would have been very great during the year 1862, but for injury to several of the furnaces in the June flood. It was larger, in 1861, than in any other district of the United States for that year. The following furnaces were in blast in 1862:

Allentown Iron Company...	4	Lehigh Valley.....	2
Thomas Iron Company.....	2	Trenton Iron Company.	3
Lehigh Crane Iron Company.	5	Durham (below Easton)	1
Glendon.....	2		
Poco.....	1	Total.....	20

Producing 175,918 tons of pig iron.

Three furnaces were not in blast. The production of single furnaces in the Lehigh Valley is very large, some going as high as 13,000 tons each, and the average of several being 10,000 tons. The injuries from the flood in June, reduced the aggregate product probably 20,000 tons below what

it otherwise would have been. The precise production of the leading works has been obtained to make up the above aggregate. A small quantity of charcoal iron was made in the Lehigh region in 1862, probably 2,000 tons.

The Susquehanna Valley had a full share of its furnaces in blast during 1862. In the upper portion of that valley there were, at Danville—

The Pennsylvania Iron Works.....furnaces	3
Columbia Furnace	1
The Bloom and Irondale, at Bloomsburg.....	2
The Lackawanna, at Scranton.....	4
Total	10

Producing 56,000 tons of iron.

In the lower part of the Susquehanna Valley there were the Shamokin, Duncannon, Harrisburg, Middletown, Marietta, Safe Harbor, and two or three other furnaces in blast the greater part of the year. The whole number was about 14, producing 38,000 tons of anthracite, and 3,500 tons of charcoal pig iron.

In the interior the Freedom Iron Company, at Lewisburg, had one furnace in blast, and with others near the Juniata, made about 8,000 tons of anthracite, and 15,000 tons of coke and charcoal iron. The Cambria works had three coke furnaces at Johnstown and one at Frankstown, making over 30,000 tons together.

The several districts sum up as follows :

	Anthracite.	Charcoal and coke.
Schuylkill.....	76,000	4,000
Lebanon Valley.....	30,000	....
Lehigh Valley.....	175,948	2,000
Upper Susquehanna.....	56,000	6,000
Lower Susquehanna.....	38,000	3,500
Juniata and Cambria districts.....	8,500	55,000
Total.....	384,448	70,500

The production of the coke and other furnaces of the western part of the State has not been obtained. It was larger than for several years previous.

The quantity of anthracite iron made in Pennsylvania east of the mountains for a series of years past, is approximately stated in the table below for the years not fully reported; 1856, 1857, 1859, and 1862 only having been collected with accuracy :

	Schuylkill.	Lehigh Valley.	Upper Susquehanna.	Main Susquehanna.	Total tons.
1856.....	43,275	121,021	39,484	30,704	243,484
1857.....	48,310	113,299	40,502	35,259	237,368
1858.....	35,000	100,000	25,000	25,000	185,000
1859.....	73,500	137,832	37,500	37,000	286,332
1860.....	70,000	160,000	35,000	48,000	313,000
1861.....	60,000	160,000	40,000	50,000	310,000
1862.....	76,000	175,948	60,500	68,000	381,448

The quantity assigned in the previous table to the Lebanon as a distinct district, is here put with the Susquehanna. The production of charcoal and coke iron in addition has varied from 20,000 to 40,000 tons in Eastern Pennsylvania, exclusive, of course, of the great Cambria works, which have alone produced about 30,000 tons of coke iron annually.

ROLLED IRON: BAR, RAILS, PLATES, AND FORGE WORK.

Several extensive rolling mills have been added in 1862 to those previously existing in the State, two of which are on the Lehigh, one at Allentown, and one at Bethlehem. Together these have a capacity to roll 40,000 tons of bar and rails annually. A large new rolling mill for bar and sheet iron was put in operation near the close of the year at Sharon, Beaver County, west of Pittsburg. Two new and extensive steel works have been established at Pittsburg during the year, one by NAYLOR & Co., of Sheffield England, and one by J. PARKER & BROTHERS, of Pittsburg.

The production of rolled iron cannot be obtained with the same precision and facility as in previous years, in consequence of a natural hesitancy of proprietors at giving their business publicity. From the returns of those who have obligingly responded to inquiries as to the quantities rolled, it appears probable that the quantity rolled in Pennsylvania in 1862, was much greater than in 1856; for which year it was stated, by CHARLES E. SMITH, Esq., in the report of the American Iron Association, at 241,484 tons. The census of 1860 gives 259,700 tons as the amount rolled for the year ending June 1, 1860. There is a large increase in miscellaneous rolled, iron merchant bars, ship plates, etc., and less, relatively of railroad iron. Statements from a considerable number of mills have been obtained on the Lehigh, at Pottsville, Reading, Danville, Johnstown, and others nearer the city. These cannot properly be given separately, but they indicate an advance of perhaps twenty per cent on the production of 1856, or about 280,000 tons in all rolled in Pennsylvania.

The value of this production at the prices prevailing during the year, would increase the sum named in the census of 1860, nearly or quite twenty-five per cent, making over \$15,000,000 in place of \$12,643,500.

AN IMMENSE IRON DEPOSIT.

The Lake Superior *Journal* says that recent explorations show the deposit of iron ore, embracing what is known as the St. Clair Mountain, on the Esconawba River, to be very much more extensive than was supposed. West of the river it not only skirts along on the south side of Sections 1 and 2, but covers the entire north half of Sec. 11, and also that of Sec. 12, being nearly two miles in length and about three-quarters wide, and rising from fifty to three hundred feet above the level of the surrounding country. On the east side of the river it has been found to extend over large portions of Sections 5 and 6, comprising a length of about one and-a-half miles, with an average width of over one-half mile, and rising from fifty to one hundred and fifty feet. What the ultimate value of these huge deposits may prove to be, can only be fully established by more minute examination and practical tests; but from the specimens we have seen, there is hardly a question but that they will prove of the highest value, in location, they being only 30 miles from the lake, and in the quality of ore they contain; while they will be easily opened and cheaply mined, as the railroad within one year will pass up the valley of the Esconawba, directly between them. But while iron is thus being found, and roads constructed to bring it to the lake—many more vessels must also be built, or it will be wholly out of the question to place it in the lower lake markets. Let there be a corresponding amount of work done in this direction.

JOURNAL OF MERCANTILE LAW.

IMPORTANT CUSTOM-HOUSE CASE—HOW TO ASCERTAIN THE ALCOHOLIC STRENGTH OF SWEETENED WINE.

THE San Francisco *Commercial Bulletin* of a recent date gives the following: "On Saturday last a case of considerable importance was taken before Collector Low. The decision of this matter involves the payment or non-payment yearly of thousands of dollars to the customs as well as the collection of revenue under the excise law, as regards domestic distilled spirits.

"Under the tariff of 1861 a duty of \$1 per gallon was collected on a liquor imported from China under the name of China wine. The Chinese merchants deeming the tariff oppressive discontinued the importing of it and appealed to Collector RANKIN for a more liberal interpretation of the law. They stated that but a small per centage of alcohol was contained in the wine, in any case not more than in sherry. Mr. RANKIN informally stated in answer to this application, that if the wine did not contain more than 15 to 20 per cent of alcoholic spirits he would class it as unenumerated spirits, on which the duty is 50 per cent ad valorem. In May last, considerable quantities of this wine were imported into the State under a duty of 50 per cent ad valorem, which, as it was invoiced at \$1 per jar of 5 gallons, made the actual duty 10 cents per gallon. JAMES DOWS & Co., distillers, having examined samples of this wine, found them to contain large per centages of spirits, and that owing to adulteration by sugar or molasses the usual tests failed to show the actual per centage of spirit, which could only be got at by re-distilling.

"On Collector Low taking office, Dows & Co. protested against China wine being admitted under any other interpretation of the law than as spirits, and paying duties as such. The collector, inquiring, was informed by Appraiser BRIDGE that, owing to the condition of the liquid, the usual tests gave incorrect results. The appraiser was then directed to have samples of the wine tested in different ways by competent parties who were to examine and report to him unknown to each other, which tests were made, and on Saturday a court was held in the collector's office to hear evidence in the matter. Samples of the wine furnished by the appraiser were shown, also the results of such in spirits obtained by distillation. From this process it was found that the different samples of wine contained from 32 to 50 per cent of pure spirits, and from an analysis of the same by the State assayer, that the bases of the wine was in some cases sugar and molasses, and in others rice. The testimony of HOP KEE, the importer of the lots tested, was that the liquid was originally of a white color, but was muddied by having a few plums, pears or peaches put in each jar.

"Gauger LAIDLEY testified that the usual weighing apparatus for spirits did not give correct results, owing to sugar being in the wine. He professed his belief that it contained a large percentage of alcohol, and said that he had satisfactorily proved this to his own mind by a test made

when this particular wine was landed. He stated that he then took four bottles of it, and left two of them exposed on a pile of lumber on the wharf, when three bummers or dock loafers (who are always dogging the gauger to get a free drink from open casks) took the two bottles and drank their contents, and that half an hour afterwards he found them all dead drunk at the same place. These bummers always preferred the strongest liquors they could get, and as the wine had such a power as to make them senseless, he concluded that it must be near proof.

"Mr. Dows claimed that at the duty of 50 per cent *ad valorem* it would cause all the distilleries in the country to shut up shop, as this wine could be imported and rectified into whisky, rum or brandy, as desired vastly cheaper than the same could be made from grain, and pay the excise duty of 20 cents per gallon for proof spirits. The base of this wine was distilled spirits, disguised with sugar or syrup, and colored by a few pears, plums or other fruit to give it a fruity taste.

"The Chinese merchants, on their part, contended that it was wine only, and that if it was decided to be spirits and to pay duty on the same, they would be ruined, as very large quantities of it had been ordered by them on the strength of Collector RANKIN's ruling.

"Mr. Dows asked if the exact amount coming was known by the merchants, as he had been informed that 200,000 gallons had been ordered, and if imported under the 50 per cent. *ad valorem* duty, he might as well close his distillery.

"The Collector, after a long and full hearing of all parties, stated that he would give his decision in a few days, as he wished to make some further examination.

"The spirit test allowed by the Treasury Department is the old one of weight, which in case of an infusion of sugar or gum syrup, or any heavy glutinous substance in solution is perfectly useless. The French Government have another test which is used in such cases, viz.: by boiling the liquor, and according to the temperature at which it boils, so ascertain the amount of spirits. Unless some such test is used, spirits can be so disguised as to evade duty, unless in every case it is distilled or analyzed, which are tedious and expensive processes."

THE RIGHT OF TRADESMEN TO TEST MONEY.

An action was lately tried in one of the London courts, to recover damages sustained in consequence of defendant having broken a half-sovereign while testing it.

Plaintiff stated that he went to defendant's shop to buy some plants, and he handed a half-sovereign to defendant, who put it between his teeth, and deliberately broke it in half. He gave the pieces back to plaintiff, remarking that it was bad. Plaintiff, however, was convinced that it was good, and he had it properly tested by a chemist, who said it was perfectly good. The pieces were then again offered to the defendant, who refused to accept them, and told plaintiff he could try the question, if he were so minded.

The judge said the defendant had acted most unjustifiably; a tradesman must apply sure and gentle tests to the coin of the realm. A verdict was given the plaintiff, for 10s. damages and costs.

COMMERCIAL REGULATIONS.

DECISIONS OF TREASURY DEPARTMENT UNDER THE TARIFF ACT OF JULY 14, 1862.

THE following decisions have been made by the Secretary of the Treasury, of questions arising upon appeals by importers from the decisions of collectors, relating to the proper classification, under the tariff act of July 14, 1862, of certain articles of foreign manufacture and production entered at the ports of New York, etc.:

GINGHAMS.

Treasury Department, July 7, 1863.

SIR: Messrs. SHARPLESS Brothers have appealed from your decision assessing duty at the rate of $4\frac{1}{2}$ cents per square yard and 10 per cent ad valorem on certain "ginghams," counting less than 140 threads to the square inch, and costing less than 16 cents per square yard, imported by them per ship "Constitution."

The appellants allege: "By the act of July, 1862, section 10, article 4, there is levied an additional duty on jeans, gingham, etc., of 2 cents per square yard, making 4 cents per square yard and 10 per cent, which we contend is the proper rate of duty."

This Department decided, under date of October 13, 1862, that "ginghams" not exceeding 140 threads to the square inch were liable to duty at the rate of 2 cents per square yard, and 10 per cent ad valorem, under the act of March 2, 1861.

The act of July 14, 1862, section 10, 4th article, imposes an additional duty of 2 cents per square yard on gingham, cotton jeans, denimes, drillings, bed-tickings, plaids, cottonades, pantaloons, stuffs, and goods of like description, not exceeding in value the sum of 16 cents per square yard; consequently the rates on these descriptions of goods now are as follows:

Not exceeding 100 threads to the square inch—3 cents per square yard, and 10 per cent ad valorem. Not exceeding 140 threads to the square inch—4 cents per square yard, and 10 per cent ad valorem. Exceeding 140 threads to the square inch—5 cents per square yard, and 10 per cent ad valorem. Exceeding 200 threads to the square inch—6 cents per square yard, and 10 per cent ad valorem.

Your decision is hereby overruled.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

WM. B. THOMAS, Esq., *Collector, Philadelphia, Penn.*

BALMORAL SKIRTS.

Treasury Department, July 8, 1862.

SIR: Messrs. SHARP, HAINES & Co. have appealed from your decision assessing duty at the rate of 30 per cent ad valorem, and 18 cents per pound, on certain "Balmoral skirts," imported per "Scotia" and "Edin-

burgh," and claim to enter them at 35 per cent ad valorem, as manufactures of worsted and cotton.

The facts in this case appear to be as follows: The goods in question were found by the appraisers, on examination and appraisal, to be "Balmoral skirts made, in part, of wool," and they were so classified under the proviso in the clause of the 9th section of the act of July 14, 1862, commencing with the words, "on clothing, ready-made, &c." Subsequently, the importer's agent brought some samples to the appraisers, (which the appraisers could not identify,) alleging that they were a part of the goods in question, and did not contain wool.

The packages, after examination by the appraisers, passed into the possession of the importers, and were removed from the city, and consequently there was no opportunity for correcting an error, if any was made, which the appraisers allege they have no reason to believe was the case.

Under these circumstances, I have no alternative under the law but to affirm your decision.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

HIRAM BARNEY, Esq., *Collector, &c., New York.*

SILK, NOT IN THE GUM.

Treasury Department, July 8, 1863.

SIR: MESSRS. ASIEL & ERDENBURG have appealed from your decision assessing duty at the rate of 40 per cent on certain "organzine" imported by them, and claim to enter it under section 2 of the act of August 5, 1861, as "silk in the gum, not more advanced than organzine," at 25 per cent ad valorem.

The experts of the customs have decided that the article in question is "silk *not* in the gum, but cleaned and advanced beyond the point which, under the 2d section of the act of August 5, 1861, would entitle it to entry at 25 per cent ad valorem, as claimed by the appellants."

The question presented is one of fact, to be determined by the appraisers, and the article in question being more advanced than silk in the gum, &c., became subject to duty at 40 per cent ad valorem.

Your decision is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

HIRAM BARNEY, Esq., *Collector, &c., New York.*

PREPARED CLAY.

Treasury Department, July 9, 1863.

SIR: MESSRS. GRANT, WARREN & Co. have appealed from your decision assessing duty at the rate of \$5 per ton on certain "prepared clay" imported by them per "Jennie Beals" and "Florence," claiming to enter it at 20 per cent ad valorem.

Section 12 of the tariff act of July 14, 1862, imposes a duty of \$5 per ton on unwrought clay, pipe clay, fire clay, and kaoline.

The experts of the customs report as follows: "If it is not kaoline, it certainly bears a very strong resemblance to it in material, quality, and texture. This clay is imported by paper manufacturers, and is undoubtedly designed for paper glazing. Kaoline is used for the glazing of paper.

As the clay in question bears a similitude in "material, quality, and texture," and "the use to which it may be applied," to kaoline, it is by force of the 20th section of the act of 1842 subject to the same duty, to wit: \$5 per ton, as assessed by you.

Your decision is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

J. Z. GOODRICH, Esq., *Collector, &c., Boston, Mass.*

CHINA TRAM.

Treasury Department, July 9, 1863.

SIR: MR. BERNHARD ANDREAE has appealed from your decision assessing duty at the rate of 35 per cent on certain "China tram," imported by him per steamers "Glasgow" and "City of Baltimore."

The appellant alleges: "On these imports I was compelled by the Collector of this port (New York) to pay a duty of 35 per cent, upon the ground that they were China goods, whereas they are in reality of English manufacture, and direct from London. They consequently are subject only to the charge of 25 per cent attaching to goods of English, and not to the 35 per cent charge upon goods of Chinese manufacture."

Under the decision of this Department of April 24, 1863, all goods of the growth or produce of countries beyond the Cape of Good Hope, when imported from places this side of the Cape of Good Hope, are subject to the additional duty of 10 per cent, (imposed by section 14 of the tariff act of July 14, 1862,) unless their character, quality, and condition be entirely changed by manufacture or otherwise.

It appears that the article is only partially manufactured; is not ready for use, nor entirely changed in its character, quality, and condition; in fact it is advanced but one stage in its manufacture in England, from "singles" to "tram," whereby its distinctiveness is not lost or merged in its new condition; consequently your imposition of the additional 10 per cent was legal, and your decision is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

HIRAM BARNEY, Esq., *Collector, &c., New York.*

ESPARTO GRASS OR FIBER.

Treasury Department, July 17, 1863.

SIR: MESSRS. LORING & Co. have appealed from your decision assessing duty at the rate of 10 per cent ad valorem, with the addition of \$5 per ton, upon certain "esparto grass or fiber," imported by them in the schooner "Annie Grieve," from Almeria.

The appellants allege: "That said grass or fiber is a crude production used for the manufacture of paper; that all other materials previously known as suitable for the production of paper stock, such as linen and cotton rags, oakum, old ropes, or junk, &c., are admitted free of duty, and that had the application of esparto been known at the time the tariff was formed, it also would have been included in the list of free articles, it being evidently the intention of Congress to encourage the importation of all materials of such a nature."

The article in question is a grass, crude or unmanufactured, and not

being enumerated in the act of March, 1861, became liable to a duty of 10 per cent ad valorem, per section 24. The 11th section of the act of July, 1862, prescribed an additional duty of \$5 per ton on jute, sisal grass, sun hemp, coir, and others vegetable substances not enumerated, &c., &c.

Your decision assessing 10 per cent, and \$5 per ton, on the article in question is affirmed.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

J. Z. GOODRICH, Esq., *Collector, &c., Boston.*

ANILINE.

Treasury Department, July 17, 1863.

SIR: Messrs. L. MARTIN & Co. have appealed from your decision assessing duty at the rate of 25 per cent ad valorem on certain "aniline," imported per steamers "City of Washington" and "City of Baltimore."

The appellants allege: "That the act of July, 1862, imposes a duty on extract of rosine or aniline colors of 25 per cent ad valorem, which are manufactured colors, while aniline is a crude product of coal tar, used only for the production of the above colors."

The 25th subdivision of the 5th section of the act of July 14, 1862, imposes a duty of 25 per cent on extract of *resin* (not rosine) or aniline colors.

Aniline is a product of coal tar, and coal tar is the product of a prior process; it cannot therefore be regarded as a *crude* article, as claimed by the appellants. I am of opinion that it should be classified as a chemical preparation not enumerated, and as such subject to duty at the rate of 20 per cent ad valorem.

You will be governed accordingly.

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNY, Esq., *Collector, New York.*

COTTON IN THE DESERT.

Recently in the House of Commons, Mr. COBDEN stated that at the foot of the Rocky Mountains, in the Western Valley of the Mississippi, there were exhaustless fields for the production of cotton, and a soil and climate admirably adapted to the plan, which only required English capital and enterprise for its development.

Some color may be given to this assertion, by the fact that some crops of cotton have been raised in the Salt Lake Valley. But how, where, and under what circumstances those crops were raised; what was the yield and expense of cultivation, and what the chances of disaster to the growing plant from untimely frost, either in spring or fall, are particulars of which we have as yet no satisfactory information. Doubtless, with cotton at seventy-five cents per pound in New York, the article can be produced in localities, where, at the ordinary prices heretofore, nobody would think of planting it. But we are greatly mistaken in the capabilities, looking either to soil or climate, of the foot hills of the Rocky Mountains, if the application of any amount of English or any other capital to the cultivation of cotton there would in ordinary times be anything but a complete waste of that capital.

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JOHN GRIGG

AMERICAN BANK NOTE CO.

THE MERCHANTS' MAGAZINE

AND
COMMERCIAL REVIEW.

OCTOBER, 1868.

MERCANTILE BIOGRAPHY.

JOHN GRIGG, OF PHILADELPHIA.

[WITH A PORTRAIT.]

WE have never heard any good reason why we should wait until men are dead before we speak their praises. Yet it too often happens, that we have those living among us, whom we meet in the street, and do business with every day, whose lives have been one long lesson of active goodness, industry and force of character, but of their merits the world knows little, until death removes the seal of secrecy which propriety is supposed to place upon their lives. No man, indeed, can lead such a life without becoming widely known, and securing the love and admiration of associates. Still, society at large remains unaware of the treasure it possesses until it is gone from it forever. The tribute then thrown on the grave has lost half its fragrance. What more appropriate reward to a life well spent, than fit words of praise, spoken in the ear of living excellence!

It is with the view of doing what we may to correct this wrong custom, and, at the same time, of furnishing instructive lessons from the experience of truly successful and eminent merchants, that we propose to continue the series of Mercantile Biography given in the pages of the *Merchants' Magazine* in years past. This month we add the portrait, with pen and pencil, of a merchant whose long life of business activity, and ability, varied experience and uprightness, entitle him to a high place among these bright examples. We shall be fortunate if we succeed in giving a few of the leading traits of this truly original character as well as the artist has portrayed the clear eye, and the marked features through which it speaks from the engraving.

Adapting Bolingbroke's definition, we may call Biography (which is individual history) the practical philosophy of life, taught by examples.

To the young, nothing is so striking as fact. Rules and principles they learn, if at all, when embodied in example, which *realizes* them. Tell them that industry and energy are necessary to success in life, and they will believe you, as they will when told there is such a country as China. But hold up the life of such a man as Franklin, Girard or Astor, point to the living examples of successful enterprise—to MOSES TAYLOR, to THOMAS TILESTON, to PELATIAH PERIT—and they “believe because they see.” Such lives teach a great lesson, not because these men are rich men—rich men they are—but they are something more. “Get money, honestly if you can, but get money,” is a degrading precept, as foolish as it is wicked, for it inculcates a spirit which must defeat the very aim it proposes. That integrity is valuable for its own sake, and that wealth is its natural result, when combined with other qualities, is the lesson the lives of such men as we have named impressively teach.

JOHN GRIGG, the well-known, although now retired, Bookseller of Philadelphia, began life an orphan farmer boy. A restless spirit drove him to the water, and he early exchanged the monotonous life of the farmer for the excitements of that of a sailor. The activity of the young and enterprising not unfrequently takes this direction. Amid the perils of the Bay of Biscay, and the tempests of the West Indies, he had ample opportunities, by which he did not fail to profit, to become thoroughly versed in the whole art of seamanship; a calling, than which, there is not one, perhaps, better calculated to bring out the qualities of prompt decision and self-reliance. We do not know how long his experience in reefing and steering lasted. In fact, our knowledge of the minute details of his life is not so full as we could wish. Some thirteen months of his early life were passed at Richmond, Virginia. The quickness and original force of his character, the zeal with which he pursued his studies, and resumed them when broken off, and his devotion to mathematics, in particular, for which, at this early age, he manifested that taste and capacity which often accompany the talent for practical life and affairs, attracted the notice of relatives with whom he lived, and led them to anticipate a bright future for the young student. The lady of the house, herself very fond of mathematics, assisted him in his studies. But he was poor, he had his own way to make in the world, and soon leaving Richmond, went to Ohio, eager for the fray of life. There we find him engaged in the duties of Clerk of the Court of Common Pleas and Chancery of Warren County, Ohio, with the sole charge of this responsible office. These duties he performed to the satisfaction of all, and won for himself the esteem and friendship of such men as Mr. Justice McLean, who had not then left the courts of Ohio for the place which he adorned on the Bench of the Supreme Court of the United States, and of the Hon. Thomas Corwin and others. During the whole of Mr. GRIGG's life in Ohio, Mr. Corwin and he were intimate friends and “bosom cronies,” such friends as young men become who know each other perfectly, and are in some respects alike in tastes and habits. “I can say of him,” (our quotations are from a letter from Mr. Corwin,) “with entire confidence in the opinion, that he was from his boyhood up, through every change of place, occupation and fortune, an earnest, frank, sincere, honest man. After entering the Clerk's office, he very soon made himself master of every detail, and became in fact clerk of the court. I know he often wrote from fifteen to eighteen hours, every twenty-four, for weeks together.”

Symptoms of disease were the consequence of such habits of industry and intense application, and made change of occupation necessary. But those habits had won for him a name and character which soon enabled him to enter on a different and less harrassing pursuit. The late JOEL SCOTT, Esq., was at this time proprietor of a manufactory of woolen cloths, in Scott County, on the Elkhorn Creek, in Kentucky, a region remarkable for the beauty of its scenery, the excellence of its water power, and the fertility of its soil; the remoteness of the Atlantic cities, and the war prevailing at that time with England, operated as the most effectual of protections, and the woolen manufacture was a highly lucrative business in Kentucky; new proprietors commenced the manufacture of all descriptions of woolen cloths, on a large scale, and with much energy and apparent skill. It was early in 1815 that Mr. GRIGG became superintendent of Mr. SCOTT's establishment, at Georgetown. His new situation tasked the best energies of his mind and character. He was at times placed in the most trying circumstances, and on one occasion left suddenly with the sole charge of the whole establishment upon him. But the same quickness and assiduity which made him an efficient clerk of court, made him the best of superintendents, also. The greater experience of the Old Country might be challenged to produce a wool manufacturer who knew better how to assort a fleece into five or six different qualities, or had a quicker and more practiced eye to see when a thing was well done, from the washing of the wool to the finishing of the cloth.

Subsequently to this, Mr. SCOTT lived in opulent retirement near Frankfort, but died some time since. He and his excellent sons belonged to that noble order of Kentucky farmers, whose fine farms and rare breeds of cattle were the pride and wealth of the State, and whose hearts and sympathies were as broad and open as their fertile acres. Although, as we believe, Mr. GRIGG never visited Georgetown after his business connection there ceased, and the two friends seldom if ever met, yet the friendship and regard which his services and character secured for him from Mr. SCOTT lasted, unabated, through his life. In a letter which we received from Mr. SCOTT in 1851, and to which we are indebted for some of these details, he speaks of his old friend with youthful warmth, of "his uncommon industry, activity and efficiency in business," of "his exalted and honorable feelings and principles." Mr. GRIGG "won the entire confidence and most cordial attachment," says Mr. SCOTT, "not only of myself and family, but also of all with whom he had been associated in business. This attachment was fully reciprocated by his own warm and generous heart, and was evinced not only by the manifestation of feeling, but also by the bestowal of some memorial to the various members of the family, when he took leave of us." And "still the warmth of his noble heart is unabated. Not a single year has been allowed to pass without the receipt of some substantial and cherished memorial of his abiding friendship, not only to myself, but to my children and grandchildren, all of whom he seems to embrace in the wide scope of his generous affections, although he has never seen but a single individual of them."

The year 1816 brought with it still another change of residence and occupation. Mr. SCOTT parted from his assistant with reluctance, but his restless activity was ambitious for a wider field and higher range. We must stop here, however, to say a word in reference to these several changes of business by Mr. GRIGG, lest our younger readers may be led, on

the slightest pretense, to go and do likewise. When a young man has deliberately chosen his pursuit in life and entered upon it, there are ninety-nine chances to one that if he makes a change it will be for the worse, and, of all men in the world, Mr. GRIGG would be the last to encourage this restless, roving disposition. Many, in commencing life, delude themselves with the idea that some occupation can be found, wholly suited to their whims and fancies. This philosopher's stone will never be discovered; and every one who makes his life a search for it must be ruined. Much truth is contained in the Irishman's remark: "It is never easy to work hard." Let, therefore, the fact be always remembered by the young that no life-work can be found entirely agreeable to a man. Success always lies at the top of a hill; if we would reach it, we can do so only by hard, persevering effort, while beset with difficulties of every kind. Genius counts for nothing in the battle of life! determined, obstinate, perseverance in one single channel, is everything. The circumstances that led Mr. GRIGG to make the changes he did, we will not dwell upon, except to say that they were peculiar and such as few men can plead. Certainly the hope of finding something to do that was easy and agreeable in every way, was not one of them. Nor did he change because he did not love his occupation. He knew then, what he teaches now, that good, hard, honest effort, steadily persevered in, will make one's love for one's business grow and make the business itself prosper. All should remember that we are allowed to see and feel the roughnesses in our own pathway, but not in others; yet all have them.

But, as we said before, Mr. GRIGG, in making this change in his occupation, sought for a wider field, and concluded to go to the city; he must try his fortune as a merchant in Philadelphia. From country to city, an unbroken current of youthful hope, energy and character is ever setting, which purifies and renews, it is true, but too often leads to the shipwreck of weak principles and sanguine hopes. Were it not for new blood from the country, cities would grow sickly, just as citizens' children after one or two generations become puny and weak. But the city influence is strong, and it is an even chance whether it will corrupt or the country influence will purify. Hence the danger of this indiscriminate eagerness of the young to rush into city life. But if they all brought with them the same power to resist, and the same ability to act for themselves, which JOHN GRIGG carried with him to Philadelphia, this tendency would be less to be regretted. It was his intention to enter a wholesale dry goods house. But the year 1816 was one of general embarrassment. No opening presented. Like FRANKLIN, before him, GRIGG found himself in the city of Philadelphia, comparatively without means, without employment, with no outward support, but upheld by that sure inward resource of *self-reliance*, which is the center of moral gravity. However, he was about giving up his plan, when he made the acquaintance of Mr. B. WARNER, a bookseller of very extensive business. Mr. WARNER seems to have been a man of quick appreciation of character. He at once conceived a high opinion of Mr. GRIGG's character and abilities. Mr. WARNER was a *Friend*, and a friend indeed, in every sense, he proved to his young clerk, who at once entered his house and justified the flattering opinion of his employer by the characteristic energy and clearness of head which he brought to bear upon his new pursuit. Versatility is said to be an American characteristic, and few men have possessed it more strongly than Mr.

GRIGG. The readiness of adaptation to new pursuits, situations, and emergencies, which made him efficient in each of the varied callings with which within a few years he had already made himself familiar, marked his career through life. It was his favorite opinion that all difficulties can be overcome by perseverance—that no man or boy can tell what he can make of himself until he tries. He made it a rule of life when difficulties appeared, to clap on double energy, and, like Hercules, to rely upon the strength of his own shoulders to get the wagon out of the ditch.

He had need of all his own resources of character in the calling which he had adopted. But it was the last change of pursuit he was to make. He had found a business whose range of operations suited his abilities and ambition. The difficulties of the bookselling business are said to be peculiarly great. This is the consenting opinion of those familiar with it; and it is obvious how much tact and discrimination, sagacity and careful study of the public taste, it requires. So connected is it with Literature, that a mistaken literary judgment may involve the most serious business consequences. Dazzling projects, which on paper give assurance of brilliant results, when put in execution prove worse than failures. It was not, however, until a few years later, when he had worked his way up to the higher walks of his business, that these qualities were called out into most active exercise. But the same energy which was displayed in the more responsible station to which he soon attained marked his performance of the humbler duties of a clerk. This devotion, this determination to do "whatever his hands found to do" "with all his might," whether as Clerk, or as Principal, as Banker, Manufacturer, Clerk of Court or Publisher, is the secret of his success—of all success in business. The late WILLIAM GRAY, of Boston, in his days of opulence, was tauntingly reminded that he had once been a drummer. His quick retort contains volumes of the practical philosophy taught by such lives as his and Mr. GRIGG's;—"Didn't I drum well, though!"

Mr. GRIGG has always been remarkable for strength of memory. One of his feats at this time, was to learn the name of every book in the store, its price, and the place where to find it, so that he was able, at once, to lay his hand upon it when called for. It was thus he commenced his clerkship. In a few days this readiness and aptness began to excite the jealousy of an older clerk, since deceased, who was nominally above the last comer; and his own spirit was chafed at a superiority in position in the establishment of those who were inferior to him in fact. To avoid these unpleasant feelings, Mr. WARNER proposed a journey to Virginia, for the purpose of settling the affairs of a firm in that State, with which his house was connected, and which had been dissolved by the death of one of the partners. This commission Mr. GRIGG gladly undertook. How successfully he performed this duty, and in fact every duty belonging to the new calling which was to be the business of his life, is best shown by the testimony left by Mr. WARNER, on his death, a few years after. A memorandum was found attached to his will, which contained a legacy more valuable than gold, a legacy of *golden opinion*. Taking into view the possibility of his business being continued after his death, he thinks "one or two young men in whom confidence can be reposed" might be found to take charge of it, and adds, "I consider JOHN GRIGG as possessing a *peculiar* talent for the bookselling business. *Very industrious*, and from three years' observation. (the time he has been employed in my business,) I have found nothing in his conduct

to raise a doubt in my mind of his possessing correct principles." Praise like this is the noblest of rewards, the most stirring of incentives.

The executors of Mr. WARNER could not do otherwise than confide to one in whom he expressed such high confidence, and so explicitly pointed out as his successor, the settlement of the affairs of the firm. Nor was this a slight undertaking. The business of the house had been immense : connected with it were numerous agencies and branches, it had dealings with various houses at the South and West, and the settlement of it rendered frequent journeyings necessary. During one of those journeys an incident occurred which is too characteristic of the days of stage-coach traveling, and of the determined energy of Mr. GRIGG's character, to be omitted. He was at Charleston. It was the latter part of December, 1825, and by Christmas day he must be in Philadelphia. He pushed forward, traveling day and night ; at Baltimore, the steamboat which usually connected was found to have left off running, and the travelers were forced to take to the mail coach. But every seat was full when Mr. GRIGG arrived ; there was no alternative for the determined traveler, weary and excited as he was by incessant journeying for seven long days and sleepless nights, but to ride outside with the driver. The day, or rather the night, was cold, the air was full of sleet, the road miry. But to the driver's seat he mounted and pushed on. At Havre de Grace another driver took the reins, who was unacquainted with the road ; it was long after dark, and the " insides," who began to be fearful of their necks as the coach plunged and tossed in the mire, grew clamorous for putting back until morning. But Mr. GRIGG was determined that the stage should go-ahead and be in Philadelphia by Christmas day, and besides they carried the mails, and a public conveyance must not be delayed ! So he procured a lantern, and going before the coach, piloted the travelers through the darkness and mire for about two miles. Finally, mounting the box again, he took the reins into his own hands, and daylight saw the delighted travelers arrived at Elkton, and well on their way. They at once admitted him to a seat inside, upon their knees. And early on Christmas morning Mr. GRIGG was in Philadelphia.

On another of these journeys Mr. GRIGG was suddenly taken very sick at Lexington, Kentucky. He was staying at the house of a friend, on his way home. He was too sick to stand, but not, as he thought, or was determined to think, too sick to travel. His will was stronger than disease, and no dissuasion could turn him from his fixed purpose of going forward. So he was carried from the house to the state coach, at his *express* request, laid on the bottom of the coach, and in this rough sort of ambulance, he pushed on to Philadelphia with soldierly fortitude. There is something too much like rashness in such zealous devotion to business to make it altogether a safe example ; but it will be appreciated by every merchant whose spirit has been vexed and patience wearied by the delays and loiterings on the road which their traveling agents and clerks are fond of making the slightest illness an excuse for, and in which they are oftentimes ready to indulge without the decency of any excuse at all.

It is with such energy that Mr. GRIGG has performed the journey of life. At the end of the first year a statement of the business of the firm, as conducted by him, was exhibited to H. C. CAREY, Esq., who had been appointed by the parties in interest to advise with the executor. Mr. CAREY, whose undoubted ability as a political economist is combined with the practical ability of the business man, also on examining the balance exhibited by

the statement, expressed the unqualified opinion that no business had ever been managed with more tact and skill than this complicated estate. As early as November, 1823, Mr. GRIGG succeeded in completely settling up the affairs of the firm.

He was now once more without fixed occupation, but not, as before, without means; above all, not without experience, which is better than money. He had not only saved something, but had mastered the details of a difficult branch of business. For an instant, however, Mr. GRIGG seems to have been undetermined what course to pursue. Conversing at this time with the late JOSEPH CUSHING, Esq., of Baltimore, he explained his situation, and laid before him his prospects. "Rely on yourself," said his friend, "you cannot fail to succeed. You will yet astonish yourself and the book trade of the whole country." The next day Mr. GRIGG hired a store, with lodging apartments back of it, and commenced the business of bookselling on his own account.

Thus prudently and carefully did he set about the fulfilment of this prophecy. How brilliantly it has been verified, the success of the celebrated publishing house of J. B. LIPPINCOTT & Co., of which Mr. GRIGG was the founder, sufficiently proves, and the entire book trade of the country can testify. Upon the same spot where he began, Mr. GRIGG conducted his business with ever increasing success and widening range of operations. The genius and enterprise of its head pervaded the house, and all its operations were conducted with that unity of aim and purpose which a commanding mind knows how to give to the most multifarious details, and to impress upon all who come within its range. Nor was the influence of this almost military promptness and efficiency of operation confined to his own house. Mr. GRIGG became noted among his brethren for his peculiar faculty. A nervous energy, a rapidity of calculation and resolution, a promptness to act marked his entire course.

He possessed, in short, a kind of *mercantile intuition*. In a letter from Lebanon, Ohio, where, as we have seen, Mr. GRIGG passed many of his early years, another of the friends of his youth, whose friendship, like Mr. CORWIN's, has been life-long, presents in a very striking manner these traits of his character. "He comprehends at the first glance," writes A. H. DUNLEVY, Esq., of Lebanon, "business matters in all their bearings, direct and remote, and astonishes you with the quickness with which his opinion is formed, and that, not to be changed. The judgment thus formed almost always proves correct," and he is thus enabled to "dispose of his affairs as they come up without their accumulating on his hands, and by this means has been able through life to dispatch a greater amount of business than almost any other man, without any apparent severe labor. Another prominent trait in his character has been his open candor and unwavering integrity. He was ever faithful to himself and to others in avowing his opinions or fears in relation to their business, and hence he made fewer bad debts, in his extended business, than almost any one else in like circumstances."

The change which Mr. GRIGG effected in the book trade of the country, has been described as nothing less than a revolution. CONSTABLE, the famous bookseller of Edinburgh, Sir WALTER SCOTT's publisher and partner, was fond of calling himself the "Napoleon of the realms of print," a compliment hardly justified, except by the boldness, bordering on rashness, of his operations. Mr. GRIGG's friends had better reason, in many respects, for bestowing, as they were sometimes in the habit of doing, the same

honor upon him, for to boldness and rapidity he united cool and clear judgment, the quick eye to look *ahead before going ahead*. We may here mention as one proof of this wonderful ability of his to see the end from the beginning, that he *never published a book that did not pay*.

Through the financial tempest of 1836 and 1837, Mr. GRIGG steered his course safely and successfully, and although engaged in a business of vast extent during the whole perilous financial period from 1833 to 1840, was among the few who suffered little by the revulsions of the times. He was largely interested in stocks and other species of property most liable to be affected. But he saw from afar the dangers which were threatening the business of the country, and his quick foresight early anticipated the inevitable issue of the unequal contest between the government and the United States Bank. He promptly took measures to change his investments from stock to real estate, and became the owner of large properties in Mississippi and Illinois, as well as in Philadelphia. When the shock of the crisis came, his foot was on the *ground*, and he stood firm.

Mr. GRIGG has not, we thus see, entirely confined himself to the line of his peculiar business. Men of wealth never show a truer public spirit than when they step forward to aid with hand and purse a great public enterprise in its infancy. Public works are, for the most part, anything but attractive investments at the outset, and it is oftener a case of self-sacrifice than of self-interest to invest money in new projects of this kind. Mr. GRIGG was an early and prompt friend and large subscriber to the stock of the Pennsylvania Railroad, a work of the same interest and importance to Pennsylvania that the Erie Railroad is to the State of New York, and the national value of all these great works connecting the seaboard with the West, need not to be enlarged upon. We have already referred to the circumstances under which Mr. GRIGG was induced to invest largely in real estate. Philadelphia is indebted to him for numerous elegant dwellings which adorn her beautiful streets. Besides the real estate investments in Mississippi, in 1836 he entered extensive tracts of the public lands in the Sangamon country, Illinois, of which he has from time to time sold large portions. In his dealings with the numerous purchasers of his land, Mr. GRIGG's uniform fairness and liberality have made him universally popular—an exception to the general rule as to non-resident land owners, who are by no means favorites at the West.

But, in addition to what we have already said, there is another trait in the character of Mr. GRIGG, which endears him to all who thoroughly know him, and that is his honest simplicity and freedom from all ostentation. The well-known author, R. SHELTON MACKENZIE, of Philadelphia, in a recent letter to us, speaking on this point, says: "He is a plain, natural man, wholly self-educated and self-made, to whom nature gave a clear head, an honest heart, and a firm will ever to persevere. Those who know him best feel that when WORDSWORTH wrote 'the boy is father of the man,' the line might have been taken as describing Mr. GRIGG, who is the same in heart now that he was when a poor boy and a struggling young man. My experience of society in many countries has been very wide; but Mr. GRIGG seems to me the most unassuming and least ostentatious rich man I ever knew. Wealth has left him wholly unspoiled, nor do I think that adversity would throw him off his balance, for he values money rather for the good it can do than for the pleasure it can procure." To show how unaccustomed he is to display and boast of his own acts, Mr. MACKENZIE men-

tions the following, which lately came to his knowledge by the merest accident: In 1817 Mr. GRIGG traversed the whole State of Virginia for the purpose of correcting a very defective map of that State. Few can appreciate the difficulties of his task, but, as usual with him, he manfully faced them and subdued them. In consequence of his corrections this became one of the best State maps published at that period, and the local executive and members of the State Legislature cordially acknowledged the beneficial results of his labor of mind and body. Here, certainly, was a work to boast of; but probably not twenty people in the last fifty years have heard Mr. GRIGG refer to it. Mr. MACKENZIE says that his knowledge of the fact arose from seeing in Mr. GRIGG's counting house, hanging on the wall, half hidden by a door, the very map his labor had corrected, with a few lines in his own hand-writing upon it, addressed to his children, mentioning to them what he had done for the map, and expressing a hope that they would value it for their father's sake.

The foregoing outline of this interesting career is all we are able to furnish. For more minute details it would be in vain to apply to the only authentic source from which they could be obtained. We know less of these details than of the opinions of life and men which, in the confidence of friendship, Mr. GRIGG, is fond of throwing out at random. They are the results of experience, rich in instruction for those whose experience is to come. A notice of a few of these will appropriately close our sketch.

Of the value of these cardinal rules of thrift—*ECONOMY* and *INDUSTRY*—no one, of course, could speak with stronger emphasis. The want of *economy*, the waste of time and money in *small* and *useless* pleasures and indulgences, which prevail in these degenerate days, is often deplored by Mr. GRIGG, and he has expressed the half-humorous apprehension, that the vast volume of knowledge which he and his brethren of the book trade have contributed to swell, for many years, has been of little avail against the instincts of the *animal* man, which seem stronger than his boasted reason. But he has the comfort of the reflection that if this is the case with mankind, it is their own fault, not the booksellers'. If the young can be induced to *begin* to save the moment they enter on the path of life, the way will ever become easier before them, and they will not fail to attain competency, and that, without denying themselves any of the real necessities and comforts of life. Mr. GRIGG adds his testimony to that of other successful men, that the first few thousands were more difficult to acquire than all the rest of their fortunes.

Entertaining such views of the necessity of economy, Mr. GRIGG could not think otherwise than favorably of that great institution of the day—the Savings Bank, one of the noblest, the most characteristic features of the times. He had rejoiced over the good it has done, and will do for generations to come; the cheerless hearth made glad, and helpless old age made comfortable, and the aid it has enabled thousands of industrious emigrants to send to their suffering kindred in the Old World the savings of their hard earnings, making heart respond to heart across the broad Atlantic. If the Protestant Church ever canonized, among the many saints whom it might enrol upon its calendar, no one would deserve a place better than PRISCILLA WAKEFIELD, the founder of the Savings Bank System. It is one of the great merits of this system, that by accepting the smallest deposit

it encourages and enables the poorest to make a beginning, a first step in economy.

This first step is the all-important one, "the step at the threshold," according to the Italian proverb. There must be self-control at the start; but what an inducement to economy is the thought of the good that may be done with wealth, the wretchedness that can be relieved, the widows and orphans assisted in their affliction, the sunshine that can be diffused in the dark chamber of sickness and poverty. Such are the noble and disinterested motives which Mr. GRIGG would hold up for the practice of economy, motives that ought to influence the most confirmed spendthrift.

And while on this subject of economy, it should be remembered that there is a business economy to be practiced at home as well as at the counting-house. Without joining in the vulgar cry against the reasonable indulgences which wealth procures, and into which none would more eagerly rush than those who declaim against them loudest, we must not deny that there is a vast deal of *sham* aristocracy in our country. Aristocracy in the best sense of an abused word, is the growth of time as well as money. Fine furniture and living for appearances are not the thing. Nothing proves the folly of this painful anxiety about the opinion of others in matters of living, more than the simple fact that in a country of such general equality of condition and fortune as America, the means and mode of life of thousands of families must be, and are almost precisely alike, and yet each thinks it necessary to keep up an outward seeming and show, which each, in very many instances, must know to be hollow. Under our laws for the distribution and division of property among next of kin, there can be few permanent large fortunes. Even in England, where the policy of the law favors, if anything, the most unequal distribution of property, for the purpose of "keeping up" families, the permanence of fortune is lessening daily. The army and navy of England, viewed in their most striking present aspect, must be considered as a gigantic machinery for providing for the younger sons of decaying gentility. But we have no such resources here, and no patriot will ever desire them. What wealthy American parent can hope that all his children and grandchildren will be as wealthy as himself; what folly, therefore, to encourage tastes and habits adapted to a style of life which the simplest rule of arithmetical division might teach him is many times finer than anything they can expect. But if the folly of such living is great, its meanness and recklessness are greater. Mr. GRIGG is fond of drawing his illustrations from the sea-life of his youth. The wind never blows for a long time, he has observed, the same way, and often when the times look most prosperous and flattering, a financial *white squall* covers the sky in a moment. Now, a good merchant will have his business well regulated, his assets marshaled, and his means at hand, ready for the hard times which he must look for every five or seven years. But what merchant is ready for a crisis, who, without more capital than his business requires, spends double his income in "riotous living." It may do for a while, and (since death is little more certain than failure,) it may last for his life. But then—what is to become of the widowed wife and pauper scions of the Merchant Prince?

Moreover, living beyond one's means is only smooth language for living on other people's means; like "failure," which is soft *euphony* for bankruptcy. Without money a man cannot live well or ill. But if the money you live on is not yours it must belong to others; it is the poor, the

toiling poor, on whom the brunt of this mean recklessness falls. And yet, perhaps, the spendthrift himself, sleepless with the cares, shifts, and evasions of hopeless indebtedness, sick, body and soul, (for body and soul suffer together from the same tortures,) and racked by the strain after what is beyond his means and reach, is the greatest sufferer and the most to be pitied. And the root of all his misery is the ruin of the domestic happiness of thousands, who forget that prosperity can only be attained by living within one's income.

To economy, the business man must add industry and self-reliance. He must not take TOO MUCH ADVICE. Mr. GRIGG has almost always been in situations where the responsibility of deciding and acting has fallen on himself. Hence a habit of self-reliance, which is not, perhaps, safe to the same degree in all men. But of the necessity in general of seeing with one's own eyes, of judging for oneself, of looking upon events with calm self-possession, and of acting upon one's own conclusions in most cases, there can be no doubt. The business man must keep at the helm himself, and "steer his own ship."

To avoid excessive credits is the necessary corollary, the great practical application of this precept of self-reliance. Credit is one of the great elements of business, but like some of those of the natural world, as dangerous as it is useful. It is a remarkable fact, that during the whole course of his business career he never asked a man to endorse a note for him, and, according to our idea, this is one great secret of his success. Mr. GRIGG says there are three elements equally beneficial in their use, equally destructive in their abuse, and these three elements are Fire, Water, and BANKS!

The business man must attend to the *minutiae* too: see that the store is opened early, goods brushed up, *twine and nails picked up*, and all ready for action, like the deck of a man-of-war! The necessity of attending to *minutiae*—things *small* as well as *great*—seems to have strongly impressed itself upon Mr. GRIGG's mind. A young man should consider capital, he has said, if he have it, or as he may acquire it, merely as tools put into his hands with which he is to work, not as a substitute for the necessity of labor. Or, if you please, capital is the flying artillery of business, adapted to the quick evolutions and rapid operations of trade, and, therefore, always to be kept ready and at command, but not fit to be made the sole reliance in the tug of war.

With industry and economy, self-reliance and a well-balanced mind, the young merchant has the best elements of success. Let him only follow Duty as the one safe course to steer by. Let Truth never strike her top-sail. And it is with an emphasis lent by his own bitter experience of the hatefulness of this vice, from which no one was ever freer than himself, that he warns the young to remember that ingratitude is the basest trait of man's heart. "Mr. GRIGG never forgot a favor," says Mr. DUNLEVY; "gratitude seems to be the natural impulse of his bosom. Even after thirty years' absence from Lebanon, he retains the most lively attachments for his old acquaintances, and remembers with the freshness of yesterday, the acts of kindness shown to him; and not unfrequently has he given striking tokens of these feelings in the liberal bounties which he has bestowed upon the needy and unfortunate among his old acquaintances."

It is not to be supposed that these qualities and requisites of the business man are recommended merely as necessary and conducive to success and to the attainment of wealth; they are right and good in themselves—

they are equally necessary to its proper use and enjoyment. "Until men have learned the virtues of industry, economy, self-reliance, and self-control, they cannot be *safely entrusted with wealth.*" It is a degrading philosophy which teaches only how to get money, not how to use it; and whose single precept, in the language of the Roman satirist, is "Get money first, virtue after the coin."

We might go on in this way and fill pages with the teachings of this rich experience. But the result would not be a Biographical Sketch, but a Manual of Business Ethics, a real Mirror for Merchants. Before passing, however, to other topics, we must add one other admonition, addressed not to merchants, but, in their behalf, to "the rest of mankind," and one to which it would be well for all to give heed. "Go to a man in business hours, only on business. Transact your business and go about your business." Idlers and loungers often interfere with the promptness and method of mercantile routine.

For young beginners, Mr. GRIGG has always words of encouragement. They must never despair so long as they are using all honorable means to succeed, for if their minds and energies are bent on their business, they have the best right to hope for success. It is the weak and timid who succumb; to conquer, they must be determined to conquer. Now and then, he has in his own experience found himself on the wrong tack, but sleepless vigilance discovered the shoals, he has tacked ship and made the port in safety. The increasing difficulties of business in these "maddening times" call for the best powers of the best minds. Everything, however remote, that has any bearing upon success must be taken advantage of. The *slavery* of business is terrible; and Mr. GRIGG has often lamented the entire unfitness of many who rush into mercantile life, in preference to the safer life of the farmer. Nearly all our schools, in his opinion, should be agricultural; every facility should be afforded for preparing the young for the farm, and every inducement to prefer its safer pursuits to those professions and occupations which a lamentable pride leads many to prefer, but for which Providence has never fitted them. The leisure and pleasures of city life are often the theme of half-envious comment on the part of some of the least wise of those whose lot has fallen in the country. Ever since the days of Virgil, the difficulty with the farmer seems to be that he does not "know his own advantages." Agriculture is not only the most healthful, useful, and noble employment of man, but the most certain in its results, also. There is no sense in denying or disguising the fact that it requires hard and constant toil. But it is equally certain that by judicious and industrious management, the cultivators of the soil can always be independent, and at the same time escape the wearing excitement of commercial life. It is a well-ascertained fact that ninety-seven out of every hundred merchants fail, taking the average of city, town, and country. We have no statistics at hand as to England, but those who are familiar with the history of business there for the last thirty years know that the same uncertainty (although not to the same degree perhaps) exists there also. But seed time and harvest are more certain than the seasons of trade, and the thermometer is less variable than the market.

Early Marriage is a favorite theme with Mr. GRIGG in his advice to young men. All men, he would say, should be married as soon as possible after twenty-two or twenty-three years of age. A woman of mind will conform to the necessities of the day of small beginnings; and in choosing a wife,

adds Mr. GRIGG, a man should look at—1st, the heart; 2d, the mind; 3d, the person. A choice made thus soberly and discreetly, can hardly be wrong. But, alas! who will look for discretion in a man crazy with love? In that sad plight, nobody is capable of judging anything right! So strong, however, were Mr. GRIGG's convictions on this point, despite the intrinsic difficulties of the case, that it became a by-word among his clerks, that if any one wished a permanent place in his house, all he had to do was to get married! Several of his partners and successors in business were clerks whom he had befriended in boyhood and poverty. He made it a rule, in fact, to give preference to the sons of poor widows, whom he paid from the start, and promoted according to their capacity and proficiency. Of that warm and wise charity which aids the needy, not only by helping them to help themselves, but by direct bounty, and which has followed the deserving who had been in his service, after they had left him and lost all direct claim upon his liberality, instances might be recorded for which this is not the place. Even if it were, however, we could not mention a tithe of them, since all such acts of his are done quietly and privately, so that the left hand knoweth not what the right hand doeth.

Of the discipline of MIND as well as character necessary to success in business, the preparatory studies which make the enlightened merchant, Mr. GRIGG is not unmindful. Modesty might forbid further allusion to this point, for his advice involves something so complimentary to the editorial "We" of the *Merchants' Magazine*, that if we go a step further we shall be in danger of transgressing its rules. So we shall merely add, by way of explanation, solely, that Mr. GRIGG advises every young man intended for business, who would acquire sound ideas of trade, to read—to study SAY'S *Political Economy*, and HUNT'S *Merchants' Magazine*. Treating subjects of trade that require deep thought, they will expand the mind, while the statistics, he is pleased to think, furnish that information respecting internal improvements, and all the other great commercial and industrial interests of this great Republic, in which even our public men are sometimes lamentably lacking.

We find no difficulty in agreeing with him that "every public library in the country should have a copy of the *Merchants' Magazine*," and "that its contents should be thoroughly read and inwardly digested by all members of State Legislatures, and of Congress, to whose charge are intrusted the great public interests, on which it throws the fullest light."

There is another opinion of Mr. GRIGG's—a sentiment as well, for it is no more a conviction of his experience than a warm feeling of the heart, with which we may appropriately close this sketch. Looking back over his long life, recalling his varied experience from his boyhood up, he ever bears this grateful testimony:—"Our country is the very best poor man's country in the world."

RUSSIA AND THE UNITED STATES—FUTURE EMPIRES.

In the last three hundred years a great change has been going on among the races which people the Northern Continents of the world, the wonderful results of which are now apparently first beginning to manifest themselves. The rise of the Roman Empire in remote ages, from small beginnings in the South of Europe, involved, as it increased in power, the consolidation of the barbarous nations that inhabited the Middle and West of Europe under the vigorous yoke of the Romans. The decline and fall of that Empire left the nations of Europe inoculated with civilization, which, being developed by the lapse of time, carried commerce and the arts to a great height on the ruins of the feudal system. At that time, however, modern civilization was confined to the South and West of Europe. The North and Northeast were still sunk in utter barbarism, and the American continent had not yet attracted the attention of the world. With the commencement of the sixteenth century two events laid the germ of two overshadowing future empires.

In 1492 COLUMBUS landed in the West Indies; in 1497 the English discovered North America; in 1499 AMERICUS VESPUTIUS landed on the Western Continent; in 1607 were made those settlements which have since grown into the mighty nation that, to-day, has called 1,475,000 men into its armies, and furnished in two years about \$1,500,000,000 to meet the expenses of the present war without any signs of exhaustion.

The Northwest of Europe had been inhabited by numberless tribes of barbarians, who, under their petty princes, had waged continual war, and ended by being subjected to the Crim Tartars, that fierce race which so long poured forth successive hosts from the remote regions of Asia to the conquest of Eastern Europe. While COLUMBUS was seeking aid for his expeditions of discovery, the Duke BASILIUS IV. united the petty princes of Russia, subjected Pleskow, conquered Smolensk from the Poles and, in 1509, freed his consolidated country from the domination of the Crim Tartars. Russia now made rapid strides to power. Its only port was Archangel—Revel, on the Baltic, being in the hands of the Livonians. In 1554 it conquered the Nagaian Tartars, including the city and kingdom of Astrakhan, by which it became master of both sides of the Volga to the Caspian Sea, through which it opened commerce to Persia. Four years later it conquered Narva in Livonia, thus gaining the shores of the Baltic and opening mutual trade with Europe, commerce being transferred from Revel to Narva. In 1580 Siberia was reduced, adding much to the resources of Russia, and subsequently Lamoieda was conquered, and each person required to pay two sable skins annually, thus furnishing the basis of a new trade. A century later, the Czar PETER conquered Azov, at the mouth of the Don, and forced his way into the Black Sea, hitherto monopolized by the Turks. He got shipwrights from Holland and galleys from Venice, and fortified Taganrock to maintain himself against the Turk. In 1703 he built Cronstadt and St. Petersburg and connected the Caspian and Black Seas by a canal. St. Peterburg, when foreigners were invited to settle, became the seat of commerce, which grew rapidly. In 1776 there arrived at St. Petersburg 413 vessels,

with merchandise valued at 5,288,471 roubles, or \$3,966,358. The exports were 3,270,000 roubles. In 1780 the Empress CATHARINE was strong enough to lay down a new maritime code, by which the rights of neutrals should be respected; the flag to cover the goods, except contraband; and she also defined the law of blockade to mean the actual presence of enemy's ships in sufficient force to make entry dangerous. These principles, although urgently opposed by Great Britain, became laws, which, to the surprise of the world, were enforced by the new nation in the war of 1812-15. In 1774 the Crim Tartars, by treaty between Russia and Turkey, became independent of the latter; but in 1784 the Empress CATHARINE, against the opposition of the great powers, annexed them to Russia. Having now possession of the Northern Baltic shore, she held out great inducements for the Greeks to migrate into her new territories. For this purpose she pretended great veneration for the ancient Greeks, and altered the old names of places to Greek names. The capital of the new province was called Chezson; that of Crim was changed to Taurica; Caffa had its ancient name of Theodoria restored. STRABO relates, in ancient times, that this port was capable of containing a hundred vessels. Acht-air became Sebastopolis, a place which has so lately braved the combined power of Western Europe. These were all declared free ports, with the same privileges as St. Petersburg. In 1785 a canal was made between Tuertz and the Mista, opening a passage to the Neva, and completing a line of 1,434 miles of navigation between the Caspian and Baltic Seas. While these water fronts were added to the growing Empire, the land front was pushed down to include Warsaw, by the partition of Poland.

Mean time, in 1783 the colonists of America had, while Russia was passing from Duke BASILIUS to CATHARINE, grown to a nation, whose independence Russia was one of the first to acknowledge by treaty of commerce, in 1783, with the new Western Power. Thus the band of Pilgrims from Plymouth Rock, in the northeast corner of America, had overrun the territory of the natives, spreading south and southwest, until meeting and becoming consolidated with the Dutch and French colonies, suddenly sprang into existence as a naval power at the moment when Russia, appearing on the Baltic amidst the belligerents of Europe, laid down a new maritime code which the new Western Power was destined to enforce. Since that event, both Russia and the United States have been growing internally and externally with mutual sympathy. The population of each in 1860, was as follows:

UNITED STATES.		RUSSIA.	
Total population....	31,279,835	Total population....	66,891,493
New York.....	805,651	St. Petersburg....	520,131
Boston.....	177,812	Moscow.....	345,556
New Orleans....	168,675	Odessa	104,167
Cincinnati.....	161,044	Riga	72,136

The area of Russia in Asia is 270,540 square miles, and the population 8,203,197. The internal development of Russia has been very rapid, but that of the United States has been more conspicuous because more closely connected with the wants of foreign nations. The imports and exports of Russia were in 1859, as compared with the United States as follows:

	Russia.	United States.
Imports.....	\$122,000,625	\$362,163,941
Exports	124,248,502	400,122,296

If we compare the leading exports of the two countries, we have results as follows:

	United States.	Russia.
Cotton	\$161,434,923	.....
Flax .....	.....	\$19,001,875
Grain.	24,046,752	44,940,795
Animals.	15,549,817	24,064,863
Furs.....	1,361,352	1,341,396
Forest.	14,489,406	6,329,000
Other articles.	61,509,830	28,570,568
Total.....	\$278,392,080	\$124,248,502
Gold	57,502,305	.....

The gold exported from Russia is not officially given, and cannot be accurately ascertained. As to the other items there is great similarity in their nature. The flax, hemp, etc., raw materials exported for manufacture, answer to the cotton of the United States, also raw material, but supplying to a much greater extent European manufacturing industry. The grain of Southern Russia, from Odessa, etc., has become a very important element in Russian trade with England and Western Europe. The importations of grain of all kinds into England in 1846, a year of good harvest, was 38,017,392 bushels. Of this, 3,790,480 bushels was from Russia and 8,855,120 bushels from the United States. Year by year the quantities required by England increase, and in 1862 she imported 152,920,976 bushels, of which Russia sent 15,100,000 bushels and the United States 55,400,000 bushels. Russia supplies flax, hemp, etc., for the English operatives, and the United States cotton, and both supply immense quantities of food. Both nations take of England manufactured goods, hardware, and raw materials. The two nations have thus become necessary to the world in the supply of materials and food, and both, as we have seen, have become powerful in numbers and wealth by the process. The operations of commerce in the two countries have not been dissimilar. The vast inland seas of Russia are connected with the Neva by canals, through which the importations at St. Petersburg have supplied the growing wants of the interior of Russia in the same way that the Erie and other canals connect the Hudson and New York with the commerce of the West. The mighty Mississippi, flowing south, has carried American products to New Orleans for export, as the Volga and the Don have made Taganrog and Astrakhan the export cities of Russia. The exports of the leading Russian cities compare with those of the United States as follows:

UNITED STATES.

	Exports.	Imports.
Boston.....	\$15,168,015	\$39,366,560
New York.....	142,563,838	233,692,941
Baltimore.....	9,749,621	9,784,773
Mobile.....	38,670,183	1,050,310
Charleston.....	21,190,964	1,569,570
New Orleans.....	108,417,798	22,922,777

RUSSIA.

	Exports.	Imports.
Archangel.....	\$5,335,520	\$360,181
St. Petersburg.....	31,683,590	62,068,120
Riga.....	14,000,000	3,318,110
Odessa.....	22,967,911	9,111,210
Narva.....	519,011	829,000
Taganrog.....	5,780,101	1,928,120

As New York is the largest importing city, so is New Orleans the largest exporter of produce. In Russia, St. Petersburg is the port of entry for goods that supply the interior, and Odessa, by its large shipments of grain, shows the highest export figures. The two great nations thus present the spectacle of a rapidly increasing population, improving yearly in all the arts and means of production, spreading over new soil and almost daily making new discoveries of mineral wealth. Their growing wealth and importance seem, at no very remote future, to be able to overshadow Central and Western Europe.

But there is another great similarity, as we have intimated above, in the productions of these two countries. Not only do they furnish food for Europe, but also the precious metals for currency. The quantity of gold at the disposal of the nations of the world up to the present century was derived mostly from mines which produced an annual average of \$23,000,000, or less than the estimated wear and tear and consumption. The increasing wealth and commerce of the world was becoming cramped for the want of more extensive supplies of the metals, when, in 1814, at the moment when peace was about to be proclaimed and the interests of commerce to be affected more than ever by the limited supply, the auriferous sands of the Ural Mountains were discovered in Russia. The supply was at once increased. In 1829, discoveries of the same nature were made in Siberia. In 1834, those of Altai were discovered, and it has now become known that the Russian gold region extends from the Caucasian Mountains to Kamtschatka. The supply of Russian gold which had been about 1,155 lbs. or \$369,600 per annum, was swollen in 1829 to 8,405 lbs. or \$2,689,600 per annum. In 1847, it had reached 61,296 lbs., worth \$19,605,520 per annum. Thus Russia was able to furnish nearly as much gold per annum as all the rest of the world had previously done. But at that moment of her success the United States acquired California, and at once discovered mines which tripled the production of those of Russia. The streams of gold, however, continued to pour down from Ural Mountains in the East and from Sierra Nevada in the West, both tending to Western Europe; fostering industry and stimulating commerce, while revolutionizing the monetary systems not only of Europe but the world.

It may be remarked that California has been a cause of a far greater production of gold in Russia than under the old system she was capable of. The sands of Siberia, in many regions, contain a great deal of gold which would not pay to get out by the old methods, and those which did pay were worked expensively. A Siberian who had been five years in California returned to Russia with the Californian improvements in washing, and thus not only doubled the production but caused a profitable yield of the less valuable sands, particularly at Kirghise, where the pro-

duct is now considerably improved. The discoveries of gold in Australia added largely to the supplies of the world; but the receipts from those regions are on the decline, while those of both Russia and the United States seem, according to recent discoveries in the San Francisco Mountains, east of the Colorado River, and the extended researches in Siberia, to have just commenced their production of gold. This industry in Russia will doubtless promote and extend the commerce of the empire towards its Eastern limit, developing in its way the vast resources of the Amoor River, until Russia, by a sort of paradox, coming from the East, will spread its power and influence upon the Western shore of the Pacific; on the East shore of which the spreading power of the United States is already dominant.

The United States have the greatest number of miles of rail-road of any nation of the earth. They have expended in their construction \$1,000,000,000, and by means of them a population, doubling every few years, is enabled to make available the products of the most fertile land in the world. The same agency, started by American engineers, is now spreading over Russia and producing results there only inferior to those mighty creations of wealth which we have seen from their operation here. Under the influence of those two mighty agents, steam and rail, aided by machinery of all descriptions, the two young, active and growing powers of the East and the West have but started on their career. The following figures show how they compare with Europe :

	Sq. miles.	Population.	Debt.	Per head.	Gold per annum.
Russia.....	802,074	75,148,690	\$1,248,900,000		\$28,000,000
United States.....	3,250,000	31,445,080	1,500,000,000		65,000,000
Total.....	3,552,074	106,598,770	2,748,900,000	\$27	98,000,000
Europe and G. Britain..	1,647,125	215,918,008	8,977,464,000	41	15,000,000

Thus the two empires have an area of virgin and prolific soil more than double that of the whole of Europe. Their population is nearly one-half that of Europe, doubling every twenty years, and will, in half a century, exceed that of Europe. The power of each country respectively grows in a ratio much greater than the mere increase of the population, as is manifest in the unhappy struggle now going on in the Union. In 1800, five millions of exhausted people came out of a struggle for their independence. In sixty years, they had overtaken Great Britain in numbers, and have displayed a military power in two years at which the world may well wonder. One million and four hundred and ninety-five thousand men have been called into the field, and \$1,500,000,000 of capital poured into the Federal Treasury to support the war, without apparently disturbing the course of events or checking the supply of food sent to make good the short harvests of Western Europe. Russia is developing similar powers, and it has become apparent that in fifty years,—perhaps in the lifetime of the present sovereigns of France and England,—the two great nations will completely have overshadowed the political power and commercial importance of Europe and England. The present importance of the latter consists in working up the raw materials and food of Russia and the United States into goods for sale in the general markets. But Russia and the United States will very soon rival her in ability to manufacture. In that hour the empire of commerce will pass to the new powers.

THE HISTORY AND PRINCIPLES OF MONEY.

BY RICHARD SULLEY, OF INDIANA.

(Continued from page 268.)

THE discoveries of gold in California and Australia occurred in 1848 and '49, and since that period in many other places. These circumstances have created extraordinary facilities for the increase of money, and have developed afresh that peculiar phenomena of the exportation of the precious metals to the East, which has been the problem of previous ages. PLINY mentions it in the first century of the Christian era, and ADAM SMITH speaks of the East Indies and China as continually taking off a larger quantity of silver in the middle of the last century; and this exportation seems to have continued, with *now* and then an intermission, up to the present time.

In the six years ending in 1855, twenty-one millions sterling had been exported from England alone to the East Indies and China, and in the two years ending in '57 the exports from England and France had reached fifty millions sterling. During the last twenty-five years the exports of silver to India have been \$550,000,000, of which only \$90,000,000 have been re-exported, leaving a balance to India of \$450,000,000. For the first five years of this period the shipments were \$45,000,000, or an average of \$9,000,000 per annum; while for the last five, they were \$215,000,000, or at the rate of \$43,000,000 per annum. Thus, as the volume of commerce increases the loss to the Western nations by this gratuitous exportation of the metals also increases.

China and the East Indies have always been considered as the *grave* of the precious metals—some have even supposed that the natives hoarded and buried their silver in the ground; and yet there would seem to be no difficulty in solving the problem without this absurd supposition.

The Chinese have no fixed standard of value in their currency. Therefore, although they may happen to possess much gold and silver in their vast territory, these metals can only be produced in a proportional ratio to other commodities, consequently prices can never be affected from their own production of the metals. Therefore, as long as the metals continue to be produced in the West, in a sufficient ratio to increase prices, China will always be ready to receive her share of them, to bring her prices up to the common level.

It must also be remembered that the populations of these vast regions are nearly equal in numbers, if not quite, to the populations of the Western hemisphere, and, therefore, according to the deductions of economical science they would be entitled to half the increase of the metals, as a currency, whether they obtained them gratuitously or not. Although this might not be exactly the case, this is the principle which must naturally govern in such circumstances. Admitting this to be the fact, it would be impossible that the precious metals should return to Europe in anything like the quantities in which they had been exported. Like the returning wave of a flood, they would react only until the true *level* were found. But to return to our subject.

As soon as gold began to be produced in California it began to be exported to Europe in large quantities. In the first eight years, up to 1857, \$300,000,000 had been exported in *excess* of the imports. This state of things, though apparently paradoxical, gave the greatest possible scope for the increase of paper money. We find, therefore, as a consequence, that the banking capital and the bank loans and discounts had in the meantime nearly doubled. At this time the loans and discounts of the banks of the United States had increased to about \$730,000,000. The banks, according to *official statement*, held 12 per cent of these liabilities in specie. In ten years we had added more than 60 per cent to our currency, while the increase of population had proceeded at the rate of 30.

The events of 1857 are still fresh in the memory, and not likely soon to be forgotten. The panic burst over the commercial world quite unexpectedly, especially in Great Britain. The crops were good, trade was brisk, and every interest appeared outwardly prosperous, and, to adopt the language of an English writer upon the subject, "after ten years of prosperity, during which great and constant additions had been made to the amount of metallic currency in circulation, there came to be a panic, which, in severity and extent, exceeded nearly all that had occurred for thirty years, and which *differed from them all in its exciting causes.*" In this conclusion, however, the writer is mistaken, as he very shortly knocks down his own argument. The symptoms of the disease may differ, but the exciting cause will still be found to be the same. In this case, as heretofore, it was an undue increase of money and credit. The writer goes on to state the prices of ten of the most necessary articles of consumption in the year 1855, and then compares them with the prices of like articles in 1857 and '58. "The prices of 1855 are taken as the unit 100, and in comparing them with the prices of 1857 and '58, he finds that coffee had fallen from 145 to 113; sugar, from 230 to 117; tea, from 130 to 110; oils, from 105 to 80; cotton, silk, and hemp, taken together, from 170 to 105; wool, from 180 to 110; iron, from 90 to 80, and timber, from 115 to 100. Thus we find a fall of 33 per cent upon the average of these prices in one year—at a time, too, when the *paper* currency of Great Britain had for fourteen years been decreasing, while that of gold and silver had increased forty per cent."

These statistics are of great importance, as they show the *modus operandi* of the present monetary system, in the production of commercial panics. They were produced before the London Statistical Society, by Mr. NEWMARCH of the "Board of Trade," in the year 1858. The same process, however, may be traced in the prices of ten or eleven articles of necessary consumption in the United States.

From 1849, the period of the discovery of gold in California, prices gradually rose until the summer of 1857; and in 1858 they fell twenty per cent; and yet the United States had been exporting gold, while England had been receiving it. This gradual increase, and then sudden revulsion of prices, may be traced as *cause* and *effect* of all the commercial panics that have occurred since the commencement of the banking system. And as like causes must always produce like effects, we hazard nothing in assuming that as long as the *present system*, or the *superior* increase of money continues, so long will these results, at intervals, be produced, and of course with all their attendant evils.

Dr. SMITH held that no *trade* or calling would be *long* carried on at *less*

than an average rate of profit; and yet he was forced to admit that silver had been decreasing in *exchangable* value for a period of two hundred years; but he could not admit that this decrease was still going on.

The principal that Dr. SMITH laid down, that the quantity of labor involved in the production of any given commodity is the general criterion of its value, was sufficiently correct; but according to that principle the producer of silver should have sought some other employment long before the Doctor was born—except, indeed, as the Doctor verily believed, the mines had been constantly increasing in fertility ever since the conquest of Mexico—the only supposition by which he could get rid of the difficulty. There is no disputing, however, that the precious metals have been, and are still, decreasing in relative or *exchangable* value.

They have continued to flow from the West, through England, France, and Germany, to the East Indies, China, and other countries, as they have heretofore done from the earliest periods of history. It may be possible that the production has slackened at intervals, but it can never be permanently checked until the prices of the whole commercial world are sufficiently increased to react upon the profits of the producer, so as to bring them below the remuneration of other labor. But to return to the operation of prices and the *fixed standard of value*.

We assume, for arguments sake, that at any given time prices and wages, including rents, fixed incomes, etc., are *at par*, that is, that they agree with a certain number of grains of gold or pennyweights of silver denominated a dollar—this being the *standard* by which all things are valued and all contracts made.

Under these circumstances it is obvious that if any new impetus were given to the production of the standard metal, its *exchangable* value would be diminished. It would become cheaper, and of course the price paid in metal for a given quantity of other commodities would be increased. The change, no doubt, would take place slowly, and perhaps unequally; it would at first affect those common and necessary articles of consumption that are constantly in the market. But this inequality, or lack of uniformity in the increase of price, is really of little consequence, though it has been magnified into an objection. It only proves that some commodities are in greater abundance or less demand than others, and therefore do not receive the same impetus from the increase of money at the same period of time; but the increase of price will eventually follow when these inequalities are corrected. But while this operation is going on, debts, wages, interest, and rents remain the same and are paid in the depreciated currency, and thus preventing the usual consumption of necessary articles, until finally the glut is complete, prices begin to fall, and panic ensues. Such is the operation of the present monetary system, and such it must remain to the end.

The Banks of Venice, Genoa, and Amsterdam were no doubt indebted, to a great extent, to the circumstances of the times for their prosperity; but we must not overlook the advantage which each of them possessed, in the power of monopoly, over the system of the present day. There was no playing at *cross purposes*, by one bank extending its issues while others were forced to withdraw their usual accommodation to the public; and no panics brought on suddenly by the failure of weaker banks. All glided smoothly along without a ripple upon the surface, each having the power to regulate their own *issues* as best suited their own interests, without the interference of others to prevent them.

The Bank of Amsterdam, after it had become unfaithful to its trust, by loaning its deposits to the government and others without the consent of the owners, was forced to adopt some peculiar regulations to prevent the discovery of the fraud, which might possibly arise from the withdrawal of the deposits upon any sudden emergency, through the loss of confidence in the Bank or the pressure of other circumstances. Therefore the following system was adopted: Upon the future deposit of money in the Bank a *cash*, or *bullion* receipt was given as well as a certificate of deposit. The certificate could be paid away as money in the usual transactions of trade, while the receipt secured to the depositor the privilege of drawing the same sum in coin from the Bank within six months, and if he did not require it, for his own convenience he could sell his privilege to another depositor, or he could renew it for another six months, by paying a small bonus or fine. By this regulation the Bank secured the possession of all the coin and bullion that had been deposited longer than the stipulated time. This regulation afterwards gave rise to a considerable amount of jobbing; receipts and certificates of deposit thenceforth became distinct articles of commerce. Individuals might transfer or pay away the certificates in the usual course of trade and still hold their bullion receipts, which entitled the holder to withdraw the amount in coin. It is to be presumed, also, that after this regulation was pretty well established the Bank was more liberal in its loans.

Under these circumstances considerable fluctuation took place in the price of coin and foreign exchange, as paid for in Bank money. The Bank had, therefore, to save its system from explosion, to adopt another expedient: they employed agents in the market constantly, to purchase Bank money whenever it fell to *more* than one per cent discount.

It follows that a bank managed *strictly* upon these principles would necessarily grow rich; as, besides the usual and legitimate profits, it would add to its capital all that necessary increase of money required by the constant growth of commerce to keep prices at par with the prices of other countries. This amount would be so much gained by the bank, without risk or exertion, entirely through the operation of the fixed standard of value. This increase under proper regulations ought and would be made to pay a portion of the taxes of the State, instead of going into the pockets of private individuals. And all the increase of money beyond the necessary amount to keep prices at the usual point, is an evil and a burden to society.

The great mistake which seems to pervade society in general, as well as the minds of many eminent persons, is, that an increase of money, irrespective of other circumstances, is an increase of capital, than which no greater nor more injurious mistake can be made.

Money is merely a commodity, and commodities are not always capital; it must always retain the elements of value, even when represented in paper, or it ceases to be money. Money has a certain function to perform which saves to society a vast amount of labor. So far it acts the part of capital as a saving of labor and an increase of capital are synonymous operations. But you may increase—you may double it, increase it indefinitely—and you have no more capital; the extra labor expended is just so much loss to the community. Money, then, apart from its convenience as a medium of exchange, is only the representative of capital; its exchangeable value depends, primarily, upon the cost of its production,

and, secondly, upon its relative quantity to the uses and purposes to which it can be applied. But this proposition applies only to real money—that is, any commodity of *real value* used as money.

In the experience of society, it has been found that intrinsic value in money can, to a considerable extent, be dispensed with, and by the substitution of paper a great saving of labor may be made. On the other hand, it is quite possible, as has been sufficiently shown, society may lose incalculably by adopting this expedient.

When paper is substituted for real money—such as gold and silver—there is no natural limit to its increase, and if not limited by law it progresses, as we have seen, until reaction takes place by the fall of prices. Banking, therefore, as carried on at present, either upon the issue of notes or the loaning of deposits, is a profession to which the principles of *free trade* ought not to be applied. The banking system, if it is to continue, should be a *strictly* regulated monopoly, with a sufficient compensation to the public for the privileges granted. The English system is apparently the best, though it is at present by no means perfect, as we have sufficiently shown. The only system of a paper currency by which the public interests can be conserved, is by the issue of inconvertible Treasury notes, and they should be strictly limited to the requirements of the community, or *depreciation* will take place. This currency ought and would be increased as population and wealth increased, and if properly managed every addition to the currency would be so much labor saved to the community, or so much taxation remitted. The banks at present, as we have intimated, gain this addition without paying any compensation to the people.

Money, then, is capital only to a certain extent; not by virtue of any productive or intrinsic power, but merely by its operations as a medium of exchange. ADAM SMITH had a partial inkling of the truth, when he said that money was *dead capital*—that is, in other words, no profit could be derived from money *per se*. Therefore, society is no richer for its accumulation; a small quantity will serve its purposes just as well as a large one. Such an accumulation does not even come within the category of wealth.

Few writers, if any, have distinguished between capital and wealth, but have confounded them together, causing great confusion and many apparent contradictions in the science of political economy.

Wealth may include capital, but, strictly speaking, capital does not include wealth. Capital is only that part of wealth which can be made subservient to reproduction. We may have capital in lands, streams, minerals, houses, etc.; but not in plate, jewels, carpets, nor parlor furniture. Commodities that do not necessarily conduce to the maintenance of society are not capital, but merely wealth. It is the comparative decrease of capital to population which produces wealth; therefore, wealth and poverty are generally found in proximity to each other. The increase of wealth, then, is not always to be taken as an increase of capital, nor as a criterion of general prosperity. It is an evidence only of the comparative decrease of capital to population, and it is this decrease, or *qualified* limitation, to the increase of capital which gives to it that absolute power over labor which, in confined localities and ordinary circumstances, it is known to possess. Money, then, is only the *representative* of capital, to the extent only of its exchangeable value; and this is regulated, as we

have said, by the cost of its production, and all commercial exchanges are made upon the same principle of giving *value for value*—that is, the bartering of one commodity for another, both being equally desirable and costing an equal amount of labor, or difficulty to procure. The intervention of money makes no difference in the transaction, whether it be of paper or of the metals. The money itself is not intended to be consumed, it is only desirable because it can be exchanged at pleasure for any other required commodity. It matters not, therefore, whether money be a *real commodity* or not, so long as it retains its *real* exchangeable value, that is, its regular and due proportion to other commodities, and can, therefore, be exchanged or held by its possessor, without loss or inconvenience. But, although it may be a real commodity, it cannot also be a correct measure of value, merely because no commodity has yet been found with the necessary qualities of money—that is, an uniform difficulty of production. But, supposing this to have been the case, with respect to gold and silver, the moment they had been made a *medium at a fixed* price they would have attained a preference over all other commodities, and would, therefore, have increased at a greater rate, as the experience of four thousand years has sufficiently shown.

If commerce had been local or domestic only, instead of general and universal, and the precious metals had been more equally distributed over the face of the earth, then things might, and no doubt would, have been different. But it is not necessary to trouble ourselves about what might, or might not, have been; it is only necessary to reason upon things as they are, knowing, as we do, that if society are to be happy they must obey the unerring and almighty law of the Universe. We must either obey the principles we find in existence, or take the consequences of our contumacy.

The *fixed* standard of value is a remnant of inexperience and barbarism, having descended, as we have seen, from the remotest ages, and continued up to the present time, by that indolence, dread of change, and the shortsighted cupidity of private interests, ever ready to take advantage of the public ignorance for their own especial benefit.

We have seen, in alluding to the history of former times, how Kings and Governments, from time immemorial, have abused the privilege of coining and regulating money, for their own supposed interests. We say supposed interests, because it is obvious that such a system of taxation must be most injurious; taxation should be moderate, equal, and certain in amount, leaving to capital still the power of increase, and the confidence and energies of the people in full play. Any measure of government which prevents the *regular* and moderate increase of capital, and renders its profits uncertain and insecure, is something akin to the act of the man in the fable, who killed the goose that laid the golden eggs that he might get all his riches at once,—it would cut off the source of future riches or profits. But if a government be foolish and inexcusable merely as a matter of policy, to say nothing of the cruelty and immorality of depreciating the currency, what shall we say of those governments who continually allow this privilege to irresponsible corporations and private individuals; they must be either ignorant or unfaithful guardians of the public weal.

No doubt, every country has in the first place to incur the expense of a currency, or circulating medium. It is so much capital sunk, like the

tools of a workman, which save and replenish themselves *solely* by the convenience the owner possesses in their use. It is obvious, therefore, that society should restrict this outlay to the smallest possible amount, as the convenience is not increased with the increase of the currency. But when society has once purchased the necessary amount of capital for a circulating medium, it always remains the property of the whole community, without further expense than the necessary increase to keep prices at *par*, as other commodities increase, and the wear and tear of the coin, which is hardly worthy of consideration. The case is, however, very different when a community is supplied with a currency of Bank paper. The advocates of the system assume that such a currency is cheaper than one of coin; but that, we contend, is founded only upon the original fallacy promulgated by ADAM SMITH. To those who make it, it is certainly cheaper than gold is to the digger, because it can be created in any quantity for the expense of paper and engraving, but to the community the expense is ever the same, as no banker will give his note without *value received*. But let us argue the question a little further. Let us suppose that upon a given day the nation has a full currency, which we assume to be a matter of course, as all nations must have the rateable quantity, according to the amount of capital and wealth which they possess. In this state of things, then, a number of banks are created and begin to issue their notes in the usual manner. What would be the consequence? Why, that these additions to the currency, not being limited nor checked by the difficulty of production incident to an ordinary commodity, and being governed only by the personal interests of the issuers, will in consequence be continued until the currency is cheapened or depreciated, whether it be wholly or only partially of paper.

By these means prices are advanced, as previously shown, and gold and silver are forced out of the country without compensation to the people; and the banks obtain possession of the circulating medium, which once belonged to the community. The community have to pay the cost in either case, though the cheapness appears to be immensely in favor of the metals, as the *wear and tear* of coin is but a trifle, and, in my opinion, bears no proportion to the like losses on the part of the public upon bank paper, to say nothing of the immense profits which the banks abstract from the pockets of the community for its use. And yet, no doubt, a currency partly of paper would be preferable to one wholly of the precious metals.

Paper is equally convenient as gold and silver for money, so long as it will command the commodities which the holder may require and does not depreciate in exchangeable value; but it has the inconvenience of being merely a local currency, as it bears no intrinsic value; therefore, when foreign balances have to be paid some commodity must be found possessing a *real value* in universal estimation. Paper money is, therefore, in its nature and circumstances a *subsidiary currency only*, and its quantity must necessarily be limited by that position. The greatest evil of the present system is the power of the banks to force into the market unlimited quantities, that being the foundation of all the other evils. The losses arising to society from this source are great and manifold, well worthy the attention of the Reformer and the Philanthropist.

A currency of the metals would certainly be cheaper, and preferable in every point of view to one mixed with paper, under the present system,

as it entails the expense of constant additions to its amount beyond what is sufficient to keep *prices* at an equable rate, causing a continual pressure upon *wages*, and at intervals, as experience has shown, causing involuntary idleness and demoralization to a fearful extent.

It is not the kind, nor quality, nor cheapness, nor dearness, of the commodity used as money that is of the least consequence to society; but that the *supply* shall be equal, and *only* equal, to the demand, so that prices shall always remain the same as far as money is concerned. This is the great desideratum, the only panacea for our increasing commercial and social demoralization. Without this evil can be corrected, I fearlessly assert that all other moral and philanthropic efforts will fail.

We are not, therefore, for a *purely* metallic currency, nor could the present system be amended to suit our views under any circumstances. We hold that money is merely a commodity, and therefore all arbitrary regulations, with respect to its value, are not only useless, but evil. There is no commodity existing in nature that maintains an equable value at all times, and, therefore, *none* that can be a correct *standard of value* for other commodities. We, therefore, propose to repeal the law relating to the weight of metal to be contained in a dollar, placing the precious metals precisely upon the same footing as other commodities. The dollar would then be merely a nominal *unit of account*, having no reference whatever to a fixed quantity of any commodity, but would measure the value of all things, the metals included, just as correctly as before, but without any fluctuation in price from the increase of money. The value of all commodities, then, would be regulated by the two component elements—*desirability*, and *difficulty of attainment or production*. The *unit of account* would then merely express the amount of time expended in the production of a given commodity, and cease to have reference to quantity. The law of supply and demand would regulate the value of the metals, exactly as it would the value of other commodities, and, of course, would prevent the further superior increase of the metals, as it would not be for the interest of the gold producer to reduce the price or exchangeable value of gold in market. This would put an end to the increase of prices in all countries and consequently to the export of gold and silver from *any* but the producing countries, and the West would cease to supply the precious metals gratuitously to the Eastern nations.

As gold and silver would still be used as currency, and they might be a legal tender for debts at the market price unless otherwise stipulated in the contract, they would have to be coined in weights, as previous to the clippings and tamperings of former unprincipled governments—say, in ounces, half-ounces, etc. We do not intend to lay down a system, by which these matters should be regulated, but only the principles upon which the system must be founded.

With the present and ever increasing amount of domestic commerce, no currency could be perfect that did not consist largely of paper; but that paper must be strictly limited to practical requirements, as its *value* must always depend upon two circumstances—its convenience and *instant* convertibility into gold or silver, or into any other required commodity, and, therefore, should *never* be in excess of the demand. This currency should, of course, be issued by the government, and ought to be receivable for all government dues and demands; and a certain percentage might be *required by law* in all such payments. This regulation would always keep the *proper* quantity rather above, than below, par.

This currency could be increased, as the volume of commerce increased, and it would be so much labor saved to the community by the remission of taxes, to the required amount of the increase of currency. It could be used wholly for domestic exchange, and with a good system of Post Office money orders, we should have but little use for bankers and brokers.

We should expect, of course, many objections to our system. It may be said that all governments, up to the present time, have abused the power of issuing paper money. But on the other hand, we know that under the present system, and in spite of all possible safeguards against it, corporate and private banks have hitherto done the same. These are only reasons, however, for greater vigilance and more safeguards in future with respect to the new system.

We entirely object to a *fixed* standard of value, as not being in accordance with economical principles, and therefore, as we have seen, productive of the greatest evils. If gold and silver *only* were used, we should still have, at longer or shorter intervals, commercial fluctuations and panics, though perhaps not quite so intense, as has been sufficiently demonstrated by the crisis of 1857. Great Britain and Germany,—the currency of each being practically metallic,—suffered quite as much from general bankruptcy and the cessation in the demand for labor as the United States in that particular crisis.

We have only thrown out these hints for the general benefit, hoping that they may attract the attention and be elaborated by parties having more time and talent than ourselves ; and we have only further to add, that a subject of such paramount importance ought to engage the attention of every statesman and philanthropist, and of every individual who wishes to promote the happiness and final civilization of the human race.

BOOK-KEEPING ; ITS USE, NECESSITY, AND SIMPLEST MODE. .

WE have received from J. P. WARD, of London, a series of letters urging the importance of careful and correct Book-keeping, and giving many valuable hints on that subject to the rising generation of merchants, and are indebted to these letters for much that we propose to say at this time.

A certain kind of book-keeping is probably practiced by every one engaged in mercantile business ; and yet, were the facts known, we believe it would be a matter of great astonishment to learn how many fail of accuracy and thoroughness in this respect, and how few can at any given time furnish a statement of the true condition of their affairs. A balance sheet they may most likely give you, but it is a mere balance between their hopes and fears, not facts that would satisfy others or even themselves. Book-keeping is, however, the first duty of a merchant, and we might almost say that the accuracy with which it is done will be the measure of his success.

If his affairs are in a prosperous condition, the so doing will be found the most efficacious method of keeping them so ; and should misfortune threaten him, either from the falling off of trade, or by the sudden failure

of others, whose stoppage may threaten to bring a similar misfortune on himself, he will be in a position of at once comprehending the danger and its remedy ; or of understanding the necessity for immediately placing himself in the hands of his creditors. On the contrary, without books, or with accounts badly kept, he may be buoyed up with false hopes, and recklessly keep on the road to destruction, till he eventually finds himself bankrupt or insolvent, without reputation, or a friend to aid or pity him in his fall.

To all, then, we would say, and especially to our younger readers, if you value your own peace of mind, and wish to retain its energies unfettered and unimpaired, take heed that your daily transactions are duly entered and properly posted. By doing this, you will not overburthen your memory with *data* which ought to be always ready, in case of their being required ; and your faculties will be available to the legitimate demands made on them by the daily contingencies of your commercial pursuits. Should you require, in the course of your business, to refer to any past transaction, you can speak or act thereon with a clearness of comprehension of the facts, which no unwritten effort of the memory would justify ; and should it be necessary to have recourse to legal proceedings, the correctness of your proceedings will be properly appreciated. To carry this out to the proper extent, something more than mere labor will be required, and the possession of method will be found of the utmost importance. Neither will be useful without the other ; but their combination, when applied to any of the pursuits of life, will be generally attended with success.

Labor—when alone—may be considered as resembling the continued evolutions of the driving wheel of a steam engine, which would be utterly useless but for the science which knows how, when, and where to direct its energies, and which can apply it successfully, to the boring of a cannon, or the drilling of a needle's eye.

The same axiom will apply to the tradesman and his accounts ; for a man may write, and write, but without a proper knowledge of book-keeping, may only confuse himself and those whom circumstances may compel to refer to his entries. The accountant, having certain laws to guide him, will, on the contrary, so carry on his work that every record shall serve, as it were, for a stepping-stone to the actual united result, and his Ledger will prove, as it should do, an easy and certain index to his past and present standing with the world and with himself.

It will not matter how multifarious may be transactions which are to be brought under his notice—how complex may be their bearings on each other, or their relations to himself and others. The master of this science knows there are certain rules for his guidance in their arrangement, and there must be certain headings under which they must be allocated.

Practically aware of the evils arising from the wrongful insertion of a single item, he will take care that every entry is properly checked at the time, and not trust to accident for the coming-out of his balances. By thus carefully watching his work, as he progresses with it, he is familiar with all the incidents of the trade ; and a mistake, or culpable statement on the part of subordinates, is thus liable to instant detection and exposure.

Embezzlement or theft, as well as the probability of making many losses by overstocking or bad debts, will not form so fearful an item in

his balance-sheet, as it does in many balance-sheets of his less careful and less instructed competitors in trade. The very knowledge of his correctness in business will have the effect of strengthening his credit; and should opportunity offer for extending his transactions, capital will ever be at his command—if not his own, that arising from the confidence so properly reposed in him by his admiring and trusting friends.

The results of good book-keeping to the merchant or tradesman, even under the most adverse circumstances of his commercial life, are manifold. Should he be overtaken by the pressure of calamity, to which he may be subjected equally with his more careless and thoughtless brother, he will receive from his previous habits such consolation as will then prove to be sweet indeed. He will know that he has watched every step in his commercial career with the most jealous scrutiny, and that he has not left to the chapter of accidents any of even the most trivial of his monetary concerns. He will have the abiding satisfaction of a conscience at ease with himself and the world; and if misfortune overtakes him, will then be fully prepared to justify the continuation of his business to the identical period when he eventually suspended his payments, and can demonstrate to his friendly creditors the prudence and policy of his movements. In pointing out to their notice the amount and nature of the losses he may have sustained, they will be at once convinced that these losses were of an unforeseen and unavoidable character, and that no want of prudence, on the part of the debtor, has hastened on the unavoidable catastrophe. Should his losses have arisen from the failure of one or more of his correspondents, such failure will have been of a character that will convince them that they, too, in the same relative position, would have been liable to the same contingency; and should his stock have disappeared, he will be able to explain his deficiency. There will be no surmises to his discredit; but he will probably demonstrate the amount and the whereabouts of his liability in relation to his creditors' goods or cash, and pass through the severest scrutiny with credit intact and unimpeachable. Such, necessarily, must be the result of honest, good book-keeping, to the man who may suddenly find himself cast down from (perhaps) the very highest pinnacle of commercial fame and reputation into the trying depths of doubt and dismay, produced by the suspension of his payments.

In his case, however, these doubts will prove but like the smallest clouds in the horizon, which invariably will disappear as the clear light of his moral and commercial worth becomes the more manifest. There may be a cloud, but the sun will certainly be seen through it, and his credit will most likely resemble the rising grain, which is the more invigorated by the summer sun after being watered by the spring showers.

No such reward can be expected in the hour of adversity by the careless and improvident, whose real character may readily be traced in the disjointed and imperfect accounts which he must necessarily produce. No renewal of credit can be anticipated from those who will now see him in his true character, and have ocular demonstration of the care and capacity of their delinquent debtor. The very nature of his accounts will justly excite their suspicions, and lead to the presumption that there are some unrevealed transactions in the background, which require bringing out into relief. They will conjecture that he may have some secret reserve of goods, or of cash, for his future trading, or that there is dishonesty somewhere, and, as we before said, all hope of future credit will be lost.

Such, then, being the importance of correct book-keeping and some of the results of disjointed and imperfect accounts, a few hints as to the nature and purposes of the Books requisite for ordinary business will, we think, be of value. The simplest system, then, embraces a Cash Book, a Day Book, and Ledger ;—all necessary to the proper entering and collating the accounts of the parties whose transactions are to be there recorded.

The Day Book stands *first* ; as, on the events therein recorded, will depend the future failure or success of its master. This, to the uninitiated, may, perhaps, appear a most startling proposition ; but it is not the less true than it may be startling. We therefore again repeat, that on the events recorded in the Day Book will depend the future failure or success of its master !

In this book should appear every, even the most trivial, circumstance, connected with his business career,—his purchases, sales, receipts, and expenditures. The ultimate ruin of many men may be frequently traced to the continued carelessness attendant on what they may, perhaps, have considered trifles.

A penny here leads to a shilling there ; the shilling progresses to a larger sum ; until, at last, an omission may affect and imperil the entire evidence of what would otherwise have been unimpeachable.

The expenditure attendant on manufacturing, the commissions paid on sales effected by the agency of other parties, the discounts allowed for cash receipts, petty cash disbursements, personal and house expenses, salaries, and wages, must appear,—if not daily, at the rarest, weekly ; and these must be entered from other recorded vouchers of their truth and exactness. As this book is the foundation on which the entire building will depend, so the greatest care is needed that every event is not only entered, but correctly described. A receipt must not be mistaken for a payment, nor a purchase for a sale, by the party who may have to arrange its details in the Ledger. There must be no possibility of a mistake. Mind, we do not say probability ; but that nothing, save the most reckless indifference on the part of the Ledger-keeper, should be able to prevent the Ledger being, as it is intended to be, a true record of the tradesman's position with the world and himself. To ensure this, science has introduced the two terms of Debtor and Creditor, indicated—for the sake of brevity—by the corresponding signs of Dr. and Cr., and they are thus applied :—Dr. is the person or thing to which any article (whether cash, goods, or allowance,) is to be charged ; Cr. on the opposite, or *contra* account, denotes that you owe, have received from, or have to charge yourself with, whatever may be found there entered. So that A., having purchased goods for you on credit, should be entered in your Day Book, thus :—Dr. A., to sundries, followed by an enumeration of the articles—should the transaction have been for cash, then the entry should be Dr., cash, or ready money sales, to goods for articles thus sold and paid for by A. Should A., in the latter case, have claimed and been allowed a discount on the transaction, then there must be an entry of discount Dr. to Cash for the deduction thus allowed to him, or else the discount must be deducted from the amount of ready money sales, and the nett balance only returned for entry in the Ledger.

Should A. be the seller, and you the purchaser, the entries must assume another and a different form. Then the transaction must be thus recorded :—Sundries Goods Dr. to A., for the articles purchased on credit—

with a note of the time and terms on which the credit has been obtained ; and when the payment has been effected, then A. will be Dr. to Cash for the amount he has received, and Dr. to Discount for any abatement he may have allowed. So the entries of wages paid, house-keeping, personal expenditure, interest, petty cash, or any other disbursement, will be entered as Dr. Cash to the named source from which such receipt shall have originated. This exactness is, we again repeat, as essential in the most simple as in the most complex system of accounts, and the want of this exactitude, or its possession, will alone indicate the trustworthiness, or otherwise, of the incipient merchant.

If the correctly entering of every transaction into the Day Book, or Journal, be of such vital importance, and those entries must be sometimes made from other sources, surely it cannot be less essential that those sources should be equally correct. This, then, will naturally take us to the consideration of the Cash Book, the keeping of which has been justly stated by an English Commissioner, as "the touchstone of the honesty of intention of its possessor."

Yet, although the correct entering in the Cash Book is of the greatest importance, this book is the one which generally meets with the least attention. This is perhaps an incredible assertion, and yet it is not more boldly made than the truth is certainly proved, by the recurring experience of every practitioner in bankruptcy or insolvency ; whilst the private practice of the accountant teaches that errors are more generally traceable to this source than any other. Strange—but true it is—that the man who will be particular in entering a sale amounting to, perhaps, no more than sixpence, will omit or neglect to insert the receipts or payment of sums one hundred times that amount. Not less strange, that many persons will keep an account of their receipts, and not enter their payments, whilst others will be found to have recorded their disbursements, and can show no resources from whence these amounts have been derived. A large portion of small tradesmen keep no cash account whatever, simply contenting themselves with receiving with the one hand and paying away with the other. These good easy souls will tell you they see no use in wasting their money and time on books they do not want ; they know what they are about, and that is enough for them ! They rest assured that because they have been hitherto successful they must continue to succeed, and that they never will have to account to others than themselves.

It may be that such may prove the result ; but let the time of adversity come, let friends reproach them with wasted opportunities as the readiest mode of refusing to lend a helping hand in the reinstatement of their former position ; let angry creditors call for an explanation of their present want of power to meet their engagements, and then they will see the folly and regret the cause of their past heedlessness. They may be really honest and well-intentioned, and then their pangs will be the more bitter at being likened to, and confounded with, the mass of rogues, who, for sinister purposes, have pursued the same reckless or wilful road to ruin.

Reader, if this concerns you, pause and ask,—“Is it too late for me to alter my course ?” and if you find that yet there is time, alter your conduct,—commence your course anew. Take stock of liabilities and assets ; open a correct cash account, charge yourself with all your receipts from

whatever source derived, and credit yourself with every disbursement, for whatever reason, or in whatever manner incurred, and however trivial or large may be their magnitude and amounts. This done, and DAILY pursued, you will be on the right road to regaining that self-possession which these remarks may have helped to disturb.

Having treated of the Day Book and Cash Book, we will now further proceed with the subject by drawing attention to the Ledger. We have noticed the foundation and building up of the edifice, and now will crown the work by roofing in the structure. In other words, having seen that every occurrence has been duly entered in the Cash and Day Books, the tradesman will now proceed to the proper arrangement and classification of the materials thus brought together.

In his previous work, he has labored on, from day to day, in amassing the necessary records of his commercial career. So far, so good. This is of the first importance, and will readily establish the correctness of his proceedings ; but to corroborate any particular reference to his dealings, he must either remember the day of its occurrence or have the date recalled to his recollection. To facilitate this, the Ledger has to be prepared ; and, that its full value may be experienced, it must be so made up that every transaction shall be duly and relatively therein recorded. For this purpose, its arrangement must necessarily be of a different character from either of the books which have preceded it, and to which books the Ledger is to serve both as a key and a test.

In those the occurrences are entered as they took place ; in this they are to be dissected, and replaced to the account of the parties or transactions with which they are connected. By thus carrying out his work, the tradesman may readily ascertain his relative position with the world, and his own affairs. He can see whether his profits have a proper proportion to his expenses ; and, in the event of having either to contract or extend his trading, will find in this book his ready and infallible guide. Should a debtor desire to increase the account already owing, his references from his Cash Book will enable him to judge of the accuracy and extent of that man's previous payments. Should he be urged to purchase goods, he may readily refresh his memory as to the result of previous business in the same class, or with the parties from whom he may be thus solicited to enlarge his trade obligations. The clear profit or loss of any mercantile ventures can be correctly ascertained, and their nature and extent definitely known. The manufacturing and first cost of his wares will be clearly set forth in each department of his trade ; and he may, at a glimpse, see their relative proportions of venture and success. Should his business decline, and should he find it necessary to retrench his expenditure, by referring to his trade charges, or personal account, he will at once perceive where and how that retrenchment must take place. He will see what servants must be discarded,—and what rent can be lopped off,—what branch of his trading rejected,—what debtor's accounts must be closed ; and should these not suffice to make up the deficiency in his profit and loss account, he will be enabled to meet his difficulties with a thorough knowledge of his position. This very knowledge will give him calmness in the closing scene—the calmness arising from the consciousness of his own determined rectitude, and his capability of demonstrating that rectitude to the satisfaction of the world.

Is this position worth the endeavor to be attained ? What say you,

hitherto careless and inattentive tradesman? Would such be your position should reverses fall to your lot? If not, pray alter your line of conduct; and, having acted on the previous suggestions, as to the Day Book and Journal, carry on your good resolutions by posting them correctly into your Ledger.

Remember, then, the Ledger must contain your accounts with debtors and creditors,—your property,—trade charges,—interest and discount,—housekeeping,—personal expenditure,—and profit and loss; as, also, that every year the summary of their balances ought to correctly indicate your then state of affairs with yourself and the world.

(To be continued.)

THE TELEGRAPH TO INDIA.

THE English papers tell us that the cable for the Persian Gulf line, now being prepared at Mr. HANLEY's telegraph works, North Woolwich, is nearly complete, and the vessels of the expedition which are to have charge of submerging it will leave England before the end of September. They are expected to arrive on the scene of their operations in January or February, and the process of submerging is not likely to continue more than a month or so, so that by March next London will be placed within a few hours of Calcutta, Madras, and Bombay. The cable is coiled in large iron water-tight tanks—three on board each ship—which will be kept full of water throughout the voyage to Bombay.

The whole length of the cable is 1,250 nautical miles, of which 900 have been manufactured, and the experience of the failures in laying the Atlantic and Red Sea telegraph lines has been turned to profit. There are, in the first place, to be three breaks in the line, avoiding the dangers of a long deep-sea route. The first length will be from the head of the Persian Gulf at Shat-el-Arab to Bushire, a distance of 170 miles, along which the cable will be submerged in from 20 to 25 fathoms of water. The next length will be from Bushire to Mussendom, a bold, desolate, stony headland on the coast of Arabia. This section will be 440 miles long and submerged in from 30 to 35 fathoms of water. The third length will be from Mussendom to Guaddel, a small city on the Mekran coast, on the frontier of the Kelat territory. This portion will be 400 miles long, and laid in from 40 to 50 fathoms of water. From Guaddel a short length of land line is now almost complete along the coast, giving direct communication with Kurrachee, and thence all over India, to the very frontiers of Burmah.

The defect in the Red Sea telegraph is stated to have been undoubtedly the insufficient wire covering quite unprotected from corroding, and the want of allowance for slack cable to fall into the irregularity of the bottom of the sea, so that it lay strained across the inequalities with a tension of several thousand pounds. This was also the cause of the temporary failure of the Malta and Alexandria line, as well as that laid for the French Government between Toulon and Algiers. To obviate this cause of danger, which in the above-mentioned lines probably occasioned

a loss of property to the value of over a million sterling, the Persian Gulf line is cased in 12 No. 7 gauge hard-drawn iron wires, thickly galvanized, so as effectually to prevent their corrosion. But, in order to secure more effectually the permanent stability of the line, the whole finished cable is thickly coated with two servings of tarred hemp yarn, overlaid with two coatings of a patent composition invented by Sir CHARLES BRIGHT and Mr. LATIMER CLARK. The composition consists of mineral pitch or asphalt, Stockholm tar, and powdered silicia, mixed in certain proportions, and laid on in a melted state. With the final protection both from rust and animalculæ BRIGHT & CLARK's compound affords, there appears to be no reason why this cable, when once laid in shallow or deep waters, should not remain good for a hundred years to come. The copper conducting-wire is composed of four segments, drawn into a hollow tube in such a manner as to appear like a solid wire. By this means all the advantages of a strand wire are combined with the condensed bulk and small surface of a solid one. The copper from which the wire is drawn is especially selected by the engineers for its high capacity for conducting electricity. This wire, which is nearly one-eighth of an inch in diameter, is then covered by the Gutta Percha Company with four distinct coats of gutta percha, and four coats of CHATTERTON's compound laid on alternately. This "core," as it is termed, is tested in cold water, at a temperature of 90 deg., and then under a pressure of 600 lbs. to the square inch. After passing through all these ordeals, the loss by leakage through the gutta percha covering does not exceed one hundred-millionth part of the current of electricity passing through the conducting wire in every nautical mile. To such minute perfection has the system of testing adopted by the engineers been carried, that the loss of one thousand-millionth part of the current by leakage could be detected and estimated on the instruments. In the present state of the insulation of the cable, the loss by leakage in working each section of the line will not exceed one four-hundredth part of the electric current sent through the conductor—a condition of insulation which we believe has never been equalled by any cable hitherto manufactured. The core being thus completed, the process of sheathing in the outer covering is commenced. The first coating outside the gutta percha is twelve thick strands of wet hemp, and over these again comes twelve solid No. 7 gauge wires, which have been most carefully galvanized by Mr. HENRY. The outer covering of iron wire is generally the last which a cable receives, but in this instance, as the line is to be laid in comparatively shallow water, the wires themselves, though galvanized, are to be still further protected from their most formidable enemy, rust, which is done by the covering of BRIGHT & CLARK's composition.

The India Board have placed the general superintendence and control of the line under Lieutenant-Colonel PATRICK STEWART, R. E., an officer as well known for his gallantry during the Indian mutiny as for the great services he rendered the Government by the construction and maintenance of the telegraph lines through the wildest districts of Central and East India. For the immediate electrical and engineering superintendence of the line, and also for the arduous task of submerging it, the Indian Government have selected Sir CHARLES BRIGHT and Mr. LATIMER CLARK.

COMMERCIAL LAW. No. 7.

NEGOTIABLE PAPER; OR, NOTES OF HAND AND BILLS OF EXCHANGE.

THE PURPOSE OF, AND PARTIES TO, BILLS AND NOTES.

By negotiable paper is meant evidence of debt which may be transferred by indorsement or delivery, so that the transferee or holder may sue the same in his own name; or, in other words, it means paper, that is, bills of exchange or promissory notes, payable to the order of a payee, or to bearer.

The rules of law on the subject of negotiable paper are more exact and technical than those of any other department of Mercantile Law. They reach, on many points, an extreme nicety, which makes it difficult to express them intelligibly to persons who do not already possess some familiarity with the subject. All difficulty of this kind could have been easily avoided, by omitting any notice of these nice points. But it was thought better to mention them, one and all, for these are the things an intelligent merchant should know; and although the rules stated, especially those in reference to presentment, notice, and some other subjects, may seem to be intricate and difficult, they require, it is believed, only careful consideration to be fully understood.

Where and when bills of exchange were invented is not certainly known. They were not used by any ancient nations, but have been employed and recognized by most commercial nations for some centuries. A still more recent invention is the promissory negotiable note, which, in this country, for inland and domestic purposes, has taken the place of the bill of exchange very generally. Besides these two, bills of lading, and some other documents, have a kind of negotiability, but it is quite imperfect. The utility of bills and notes in commerce arises from the fact that they represent money, which is the representative of everything else; and many of the peculiar rules respecting negotiable paper are derived from this representation, and intended to make it adequate and effectual.

A negotiable bill of exchange is a written order whereby A orders B to pay C or his order, or to bearer, a sum of money, absolutely and at a certain time. A is the Drawer, B the Drawee, and C the Payee. If the bill is presented to B, and he agrees to obey the order, which he does in a mercantile way by writing the word "Accepted" across the face of the bill, and also writing his name below this word, the drawee then becomes the Acceptor. If C, the payee, chooses to transfer the paper and all his rights under it to some other person, he may do this by writing his name on (usually across) the back; this is called Indorsement, and C then becomes an Indorser. The person to whom C thus transfers the bill is an Indorsee. The indorsee may again transfer the bill by writing his name below that of the former Indorser, and the Indorsee then becomes the second Indorser; and this process may go on indefinitely. If the added names cover all the back of the note, a piece may be wafered on to receive more. In France, this added piece is called "*allonge*," and this word is used in some law books, but not by our merchants.

It is quite important to have a clear idea of the difference between the parties to a note, and the parties to a bill of exchange. If A makes a note to B, then A promises to pay, and is the promisor, and B is the promisee or payee. But if it be payable to B or order, B may write his name across the back, that is, may indorse it, and is an indorser. And if he directs, over his signature on the back, that the note be paid to any person in particular, such payee is now an indorsee. But when a bill is drawn, nobody promises, in words, to pay it. A orders B to pay to C. If B, when requested, says he will not do as ordered, the law supposes A, the drawer, to have promised by implication that he would pay if B did not. If B accepts, which is usually done by writing his name across the face of the bill under the word "Accepted," the law now supposes that B promises C to pay the bill to him. Now B, being the acceptor, is held by the law just as a maker of a note is, because he is supposed to have promised in the same way. A, the drawer, is held just as the first indorser of a note is held, because he is supposed to have promised to pay if B did not. If the bill was negotiable, that is, payable to C, or his order, then C may indorse the bill, and although his name is the only one on the back of the bill, he is treated in law only as a second indorser, because the drawer is treated in the same way as first indorser. And if D then puts his name below C's, he is treated as third indorser, and so on. The rights, obligations and duties of all these parties, we shall speak of hereafter.

We repeat that a negotiable promissory note is a written promise to pay to a certain person or his order, or to bearer, at a certain time, a certain sum of money; and he who signs this is called the Maker or the Promisor; the other party is the Promisee or Payee. The payee of such a note has the same power of indorsement as the payee of a bill of exchange. If the note be not payable to any order, nor to bearer, it is then not negotiable; but it has been held that, if such a note has been indorsed by the payee, payable to some person or his order, this becomes negotiable as between the indorser and indorsee, and subsequent parties. Such an indorsement may in fact be regarded as a bill of exchange, drawn by the payee of the note upon the maker, in favor of the person to whom it is indorsed. The maker of a negotiable note holds, as has been said, the same position as the acceptor of a bill, the drawer the same as the first indorser of a note; that is, a party holding a note and seeking payment of it looks first to the maker, and then to the indorser. One holding a bill looks first to the drawee or acceptor, and, on his failure, to the drawer.

Neither indorsement, nor acceptance, nor, indeed, making, is complete until delivery and reception of the bill, or note, or acceptance; and a defendant may show that there was no legal delivery of the paper.

The law of negotiable paper first defines a bill or note, and determines what instruments come under these names, and then describes and ascertains the duties and obligations of all the parties we have named above. We shall follow this order.

WHAT IS ESSENTIAL TO A NEGOTIABLE NOTE OR BILL.

A written order or promise may be perfectly valid as a written contract or promise, but, although made "to order," will not be *negotiable*, unless certain requisites of the law-merchant are complied with.

The difference between a note that is negotiable and one that is not, is very important in many respects. One of these is as to the operation of the trustee process, or foreign attachment, or garnished process, as it is sometimes called. If A owes B a hundred dollars, C, a creditor of B, may trustee A, (to use the common phrase,) and A must then pay to C what he owes to B. And this is so, even if A have given his note to B for the hundred dollars, if the note be not negotiable, that is, not to B or order. But if the note be negotiable, A cannot be trustee. Because if he is obliged to pay the money to C, and B should indorse the note to D for value, and D take it honestly, A must pay the note to D, and so would pay it twice. But if the note is not negotiable, B cannot indorse it, and A is safe in paying the money over.

1. *The Promise must be absolute and definite.*—The promise of the note, and the order of the bill, must be absolute. Words expressive of intention, in the first case, or a request, which imports only to ask a favor, in the second case are insufficient. But no one word, and no set of words, are absolutely necessary; for if from all the language the distinct promise or positive order can be inferred, that is sufficient.

The time of payment is usually written in a bill or note; if not, it is payable on demand. The time of payment must not be uncertain; therefore, the note is not negotiable, if the promise be to pay on one's marriage, or if certain terms are complied with, or on the sale of certain goods, or at thirty days after the arrival of a ship, or out of a certain expected payment when it should be made. But if it distinctly refers to an event that must happen, as to one's death, it has been held negotiable; and this has been extended to the paying off of the crew of a public vessel; but we doubt the soundness of this decision. In fact, any contingency apparent on the face of the instrument prevents it from being a negotiable note; and the happening of the contingency does not cure it. And the payment promised or ordered must be of a definite sum of money; and, therefore, a promise to pay a certain sum "and all fines," is not a negotiable promissory note. But if the contingency be wholly in the payee's power, the note may still be negotiable; thus, a promise to pay a sum, with interest, in twelve months after notice, was held a good note.

The promise or order to pay out of a certain fund is not fatal, if this be merely descriptive or directory; but if it must or should be construed as making the payment depend upon the fund, however ample and certain that may seem, it is a fatal contingency. So, an order to pay rents accruing to a certain time, or to pay over a sum out of money collected by an attorney, or an order drawn on the treasury by a public officer, is not a bill of exchange. Nor is a bill drawn by one government upon another, for a treaty payment, subject to the law-merchant as a bill, and incident to protest, damages, &c. An order drawn expressly for the whole of a particular fund will operate as a transfer of that fund, although not recognizable as a bill of exchange.

A negotiable bill of exchange or promissory note must be payable in money only, and not in goods or merchandise or property of any kind, or by the performance of any act. If payable in "current fund," or "good bank-notes," or "current bank-notes," this should not be sufficient on general principles, and according to many authorities; some courts, however, construe this as meaning notes convertible on demand into money, and therefore the same thing as money.

A bill or note may be written upon any paper or proper substitute for it, in any language, in ink or pencil. A name may be signed or indorsed by a mark; and, though usually written at the bottom, it may be sufficient if written in the body of the note; as, I, A. B., promise," &c.; unless it can be shown that the note was incomplete, and was intended to be finished by signature. If not dated, it will be considered as dated when it was made; but a written date is *prima facie* evidence (that is, evidence which may be overcome by opposite and better evidence, but until so overcome is sufficient) of the time of making. The amount is usually written in figures at the corner or bottom. If the sum is written at length in the body, and also in figures at the corner, it seems that the written words control the figures, and evidence is not admissible to show that the figures were right and the words inaccurate. Thus, in an American case, a promissory note, expressed to be for "three hundred dollars," and in figures in the margin, \$300, was held to be a good note for three hundred dollars, if the maker when he signed it intended "three" for "three"; and whether such was his intention was a question for the jury. But the omission of such a word as "dollars," or "pounds," or "sterling," may be supplied, if the meaning of the instrument is quite clear.

2. *The Payee must be designated.*—The payee should be distinctly named, unless the bill or note be made payable to bearer. If it can be gathered from the instrument, by a reasonable or necessary construction, who is the payee, that is enough. Thus, in an English case, an instrument in the following form: "Received of A. B. £100, which I promise to pay on demand, with lawful interest," was held to be a promissory note. The note may be made payable to the promisor or his order; that is, a man may say, I promise to pay to my own order: and such note is nothing until the promisor not only signs it, but indorses it.

Any note indorsed in blank is always transferable by delivery, just as if it were made payable to bearer; because any holder may write over the indorsement an order to pay to himself. Indorsements are either *indorsements in blank*, by which is meant the name of the indorser and nothing more, or *indorsements in full*, which are so called when the name of the *indorsee* is written over the name of the *indorser*. These two kinds of indorsements are fully explained subsequently, in section VI. of this article. A note to the order of the promisor, and indorsed by him in blank, is therefore much the same thing as a note to bearer. But it is quite commonly used in our mercantile cities, because the holder can always pass it away without indorsing it if he chooses, or can put his name on it as second indorser if he likes to. And if he be named, and the note get into the possession of a wrong person of the same name, this person neither has nor can give a title to it. If the name be spelt wrong, evidence of intention is receivable. If a father and son have the same name, and the son have possession of the note and indorse it, this would be evidence of his rightful ownership; but in the absence of evidence, it has been said that the presumption of law would give the note to the father; but this must depend on circumstances.

If neither payable to bearer, nor to the maker's or drawer's order, nor to any other person, it would be an incomplete and invalid instrument. If the payee of a bill be fictitious, and the drawer indorse it with the fictitious name, the acceptor is not liable thereon to the holder, unless at the time of

the acceptance the acceptor knew the name to be fictitious. In that case, the bill may be considered as payable to bearer; or the amount may be recovered as a general debt; as it may if the acceptor did not know the name to be fictitious, but the money paid by the holder of the bill for it had passed into the acceptor's hands.

A note to a fictitious payee, with the same name endorsed by the maker, would undoubtedly be held to be the maker's own note, either payable to bearer, or to himself or order, by another name, and so indorsed. If a blank be left in a bill for the payee's name, a *bona fide* holder may fill it with his own, the issuing of the bill in blank being an authority to a *bona fide* holder to insert the name. And if the name of the payee be not the name of a person, as if it be the name of a ship, the instrument is payable to bearer. A note payable to different persons in the alternative, that is, to one or the other of them, is not a good promissory note. A bill or note "to the order of" the plaintiff, is the same as if to him "or his order," and may be sued by him without indorsement.

3. *Of Ambiguous and Irregular Instruments.*—The law in relation to protest and damages makes it sometimes important to distinguish between a promissory note and a bill of exchange. The rule in general is, that, if an instrument be so ambiguous in its terms that it cannot certainly be pronounced one of these to the exclusion of the other, the holder may elect and treat it as either. As if written "Value received, in three months from date, pay the order of H. L. \$500. (Signed) A. B."; and an address or memorandum at the bottom, "At Messrs. E. F. & Co." It has been held that an indorsement upon a bond, ordering the contents to be paid to A or order, for value received, is a good bill. So also a direction to pay the amount of a promissory note written under the same by the promisor; so that the person directed, if he accepts, is liable as acceptor of a bill. So, where a certificate of a deposit in a bank, payable on a future day to the order of A, was indorsed for value to B by A, it was held that the indorsement constituted a bill of exchange. An agreement in the instrument itself to give further security, would prevent it from being a negotiable promissory note or bill; but not, as it seems, a statement that security has been given.

4. *Of Bank-Notes.*—Bank-notes or bank-bills are promissory notes of a bank, payable to bearer; and, like all notes to bearer, the property in them passes by delivery. They are intended to be used as money; and, while a finder, or one who steals them, has no title himself against the owner, still, if he passes them away to a *bona fide* holder, that is, a holder for value without notice or knowledge, such holder holds them against the original owner. And if the bank pays them in good faith on regular presentment, the owner has no claim. They pass by a will bequeathing money. They are a good tender, unless objected to at the time because not money. Forged bills, given in payment, are a mere nullity. Bills of a bank which has failed, but of which the failure is unknown to both parties, are now, generally, put on the footing of forged or void bills; although there is some conflict on this subject. But if the receiver of them, by holding them, and by a delay in returning or giving them up, injures the payer and impairs his opportunity or means of indemnity, the receiver must then lose them.

5. *Of Checks on Banks.*—A check on a bank is undoubtedly a bill of ex-

change; but usage and the nature of the case have introduced some important qualifications of the general law of bills, as applicable to checks. A check requires no acceptance, because a banker, after a customary or reasonable time has elapsed since deposit, is bound to pay the checks of the depositors. The drawer of a check is not a surety, as is the drawer of a bill, but a principal debtor, like the maker of a note. Nor can a drawer complain of any delay whatever in the presentment; for it is an absolute appropriation to the holder of so much money in the banker's hands; there it may lie at the holder's pleasure. But delay is at the holder's risk; for if the bank fails after he could have got his money on the check, the loss is his, and so it is if the bank before he presents his check pay out all the money of the drawer on other checks. But he may then look to the drawer. An acceptance of the drawer, payable at the bank, and paid by the bank, if it exhaust the drawer's funds so that none are left for his check, is a good defense to an action against the bank for non-payment of the check.

If one who holds a check as payee, or otherwise, transfers it to another, he has a right to insist that the check should be presented in the course of the banking hours of that day, or at farthest the next: that is, he is not responsible for the failure of the bank to pay, unless it is so presented, provided it would then have been paid. And if the party receiving the check live elsewhere than where the bank is, it seems that he should send it for collection the next day; and if to an agent, the agent should present it, at latest, in the course of the day after he receives it. If the check be drawn when the drawer has neither funds in the bank, nor has made any arrangement by which he has a right to draw the check, the drawing it is a fraud, and the holder may bring his action at once against the drawer, without presentment or notice.

Checks are seldom accepted. But they are often marked by the bank as good; and it is said that this binds the bank as acceptor. And from the nature of a check, and the use to which it is applied, it has been inferred that, if a check be drawn for value against funds, and the drawer afterwards order the bank to refuse payment of it, and, while the bank has still the funds of the drawer in its hands, it receives notice of the check and a demand of its contents, the bank should be bound to pay it and entitled to appropriate to the payment the necessary amount from the funds of the drawer. But this would be contrary to the general law of bills of exchange, which certainly do not operate as an absolute appropriation of the funds in the hands of the acceptor, until after his acceptance.

Checks are usually payable to bearer; but may be and often are drawn payable to a payee or his order; for this guards against loss or theft, and gives to the drawee, when the check is paid, the receipt of the payee. Generally, a check is not payment until it is cashed; but then it is payment; to make it so, however, it must be shown that the money was paid to the creditor, or that the check had passed through his hands. A bank cannot maintain a claim for money lent and advanced, merely by showing defendant's check paid by them, because the general presumption is, that the bank paid the check because drawn by a depositor against funds.

It is said that, while the death of a drawer countermands his check, if the bank pay it before notice of the death reaches them, they are discharged. This would seem to be almost a necessary inference from the general purpose of banks of deposit, and the use which merchants make of them.

If a bank pay a forged check, it is so far its own loss, that the bank can-

not charge the money to the depositor whose name was forged. But we think the bank could recover the money back from one who presented a forged check innocently, and was paid, provided the payee loses no opportunity of indemnity in the meantime, and can be put in as good a position as if the bank had refused to pay it. But if somebody must lose, the bank should, because it is the duty of the bank to know the writing of its own depositors. If it pay a check of which the amount has been falsely and fraudulently increased, it can charge the drawer only with the original amount. But if the drawer himself caused or facilitated the forgery, as by carelessly writing it so, or leaving it in such hands, that the forgery or alteration was easy, so that it may be called his fault, and the bank is wholly innocent, then the loss falls on the drawer. If many persons, not partners, join in a deposit, they must join in a check; but if one or more abscond, a court of equity will permit the remainder to draw the money.

6. *Of Accommodation Paper.*—An accommodation bill or note is one for which the acceptor or maker has received no consideration, but has lent his name and credit to accommodate the drawee, payee, or holder. Of course he is bound to all other parties, precisely as if there were a good consideration; for, otherwise, it would not be an effectual loan of credit. But he is not bound to the party whom he thus accommodates; on the contrary, that party is bound to take up the paper, or provide the accommodation acceptor, or maker, or indorser, with funds for doing it, or indemnify him for taking it up. And if, before the bill or note is due, the party accommodated provides the party lending his credit with the necessary funds, he cannot recall them; and if he becomes bankrupt, they remain the property of the accommodation acceptor, or maker. And if sued on the bill or note, he can charge the party accommodated with the expense of defending the suit, even if the defense were unsuccessful, if he had any reasonable ground of defense, because the defense was for the benefit of the party accommodated; inasmuch as he must repay the accommodation party if he pays the bill or note.

7. *Of Foreign and Inland Bills.*—Bills of exchange may be foreign bills, or inland bills. Foreign bills are those which are drawn or payable in a foreign country; and for this purpose each of our States are foreign to the others. Inland bills are drawn and payable at home. Every bill is, on its face, an inland bill, unless it purports to be a foreign bill. If foreign on its face, evidence is admissible to show that it was drawn at home. If a bill be drawn and accepted here, but afterwards actually signed by the drawer abroad, it is a foreign bill. If a foreign bill be not accepted, or be not paid at maturity, it should at once be protested by a notary-public. Inland bills are generally, and promissory notes frequently, protested; but it cannot be said that this is required by the law-merchant. The holder of a foreign bill, after protest for non-payment, may sue the drawer and indorser, and recover the face of the bill, and, in addition thereto, his costs of protest and notice, his commissions and re-exchange, or whatever it may cost him to re-draw, by reason of the current rate of exchange. But these damages on protest are generally adjusted in this country by various statutes,—which give greater damages as the distance is greater; and an established usage would supply the place of statutes if they were wanting.

8. *Of the Law of Place.*—Important questions sometimes arise in the

case of foreign bills, (as well as in some other cases,) dependent upon what is called the Law of Place; the Latin phrase for which, *Lex Loci*, is often used. In general, every contract is to be governed by the law of the place where it is made. Thus, if a bill is drawn in France, and there indorsed in a way which is sufficient here, but insufficient there, the indorsement would here be held void. But if a contract entered into in one place is to be performed in another, as in the case of a note dated, or a bill drawn, in one State, but payable in another, the prevailing rule is, that the law of the place where the note is payable construes and governs the contract. Therefore, if a bill be drawn in England, payable in France, the protest and notice of dishonor must be regulated by the law of France. But one who makes such a note may, as we think, elect, for many purposes, which law shall govern it. Thus, if he makes it in New York, and it is payable in Boston, he may promise to pay the legal interest of New York, and will be bound to this payment in Boston, although the legal interest in Boston is one per cent less; but if there be no such express promise, the interest payable will be that of the place where the note is payable.

While the law of the place of the contract interprets and construes it, the law of the place where it is put in suit—the Law of the Forum, or Court—determines all questions as to remedy; that is, all questions which relate to the legal means of recovering the debt. Thus, in general, the statutes of limitation of the place of the court are applied. But if a cause of action relating to any special subject-matter which has a definite location, as a parcel of land has, be barred by a statute of limitations where the subject-matter is situated, it is barred everywhere. A promisor, not subject to arrest in the country where the note is made, may be arrested under the laws of the country where the note is sued.

It will always be presumed, in the absence of testimony, that the law of a foreign country is the same with that of the country in which the suit is brought. If a difference in this respect is a ground of defense, or of action, it must be proved.

CONSIDERATIONS CONCERNING THE EFFECT AND PROBABLE CONSEQUENCE TO RESULT FROM THE ESTABLISHMENT OF BANKS UNDER THE ACT TO PROVIDE A NATIONAL CURRENCY.

SHOULD SUCH BANKS BE ADMITTED TO THE CLEARING-HOUSE ASSOCIATION?

NEW YORK, Sept. 23, 1863.

To the Officers and Directors of the Banks of the New York Clearing-house Association:

I TRUST that the common interest we all have in the subject to which I am about to call to your consideration will plead my apology for any apparent freedom I may seem to take in addressing you.

One of the most important progressive features of the New York Clearing-house Association has been, that a unity of interests has brought the gentlemen managing the various institutions into frequent contact, and thence developed a mutual feeling of kindness, respect, and confidence between them, and the recognition of principle is so decided that the smallest institution feels that its rights will be as thoroughly recognized as those of the largest. It is, therefore, on the ground of mutual confidence that I pro-

pose to request your consideration of the few suggestions I am about to make. If, after listening to them, you shall see fit to dismiss them, well; if, on the contrary, they shall arouse and determine you to action, whatever that action may be, my object is obtained. If it should awaken gentlemen from apparent apathy or discouragement, I shall have achieved my end. I therefore approach you in perfect simplicity, and with absence of all pretension. I shall not expect criticism on the disjointed remarks, thrown together, as not covering the subject. Neither your patience, if such elaboration were necessary, nor my time would allow extended examination of a system which throws out, like a vine, its tendrils, grasping directly or indirectly every interest within its reach. I propose to call your attention to the new banking scheme of the Secretary of the Treasury; indeed, I should not call it new, for it has not even the merit of originality; it is but the banking law of the State of New York, with mischievous features engrafted upon it.

This scheme has begun to develop itself in various parts of the country, not without much bolstering, however, and institutions are forming, or formed, in this city, which will soon, we have reason to believe, be applying for admission into the Clearing-house Association; unhappily, to some extent, they have an indirect recognition already through banks, members of that body; a recognition, to my mind, more undesirable than that of direct membership, the legal difficulties, if no other, at all times hanging over us in transactions of this character being very great. We have to meet these applications squarely, firmly, and decidedly, for with their acceptance or rejection possibly rests the fate of the banks of the association; and on your action the life or death of one of the two systems may be decided.

It is as well to look back on the last two years and a-half, and see under what auspices this wonder of Political Economy has been brought forth—its propriety and necessity.

We can recall all of us, our relations with the Secretary of the Treasury since the opening of the rebellion; the desperate position of the nation at the advent of Mr. LINCOLN, stripped of army and navy by the traitors having the previous administration in their hands, and the utter helplessness of the government credit, with its Treasury plundered and its funds squandered by the wretches who had had its custody. We all recollect the appeal made, in vain, to the public for loans; the people stood silent and aghast, as if in a waking dream; it appeared as if the whole social fabric was sinking from under them, and that property was but a name, soon to be a fiction. The fate of the nation was hanging in the balance. The Secretary of the Treasury appealed to the banks of the three great cities, and nobly did they respond; the associated banks of the city of New York, of course, in greater proportion than the others, as was proper. Fifty millions of dollars was advanced to the government, and an army and navy arose as if by magic. The nation was saved. The financial capital of the country, aroused from its stupor by the action of the banks, soon followed in their footsteps, and the credit of the United States was restored.

But not alone fifty millions, but another fifty millions, and another fifty millions, and still other millions were forthcoming, so that up to this time the associated banks of this city alone have advanced to the government, in the way of loans, deposits, and credits, at least two hundred millions of dollars; and this, not taking into consideration the sums furnished by our sisters of Philadelphia and Boston.

This aid was advanced at fearful risk. No inducement short of the devotion of patriotism could have for one instant induced the banks to depart from their legitimate sphere to afford it. It would seem, then, that these institutions were entitled to the gratitude "of him ready to perish;" that the property of the widow, the orphan, and the aged, thrown nobly into the vortex to aid the government, and thus risked to save it, should have been held sacred by that government. The salvation of the nation, under Providence, was through this act of the banks. Without their generous action the flag of a conspiracy maturing for a generation would have floated over its capitol.

But what has been the response to that action? It has been this, and the finger of the historian will point to it with amazement, that while the ink was yet undried the same pen that was drawing from us these millions was coldly and deliberately drafting the plan for our destruction. It is hard to believe; it is hard to believe it of human nature, even of political ambition, but the fact stares us grimly and sternly in the face. The Controller of the Treasury, its exponent, in his recent circular triumphantly asserts it in plain Saxon; in his own language, "*it requires no spirit of prophecy to say which class of the two institutions is bound to fall.*" It is well, at any rate, that the position is defined. If carried out to the extent wished by its projectors in its effect upon us, it matters but little whether this scheme is the work of the politician, or the infatuation of the theorist, the result of the conflagration destroying our property is the same.

The position being defined, let us examine into its strength and our weakness. Let us inspect closely the scaling ladders with which this new system proposes to mount and carry our works, and then decide whether, after that examination, it becomes us to fight for the interests confided sacredly to our care, or to tamely submit to power unhappily most injudiciously wielded.

The scheme of the "National Banks" proposes the following features, in which they will, so far as money-making is concerned, have the advantage of the existing banks in this State, and in most if not all of the other States.

1st. They are exempt from State taxation.

2d. Their circulation, guaranteed by the government, has a more-extended range.

3d. That circulation is made a legal tender between the government and the people, but not as between the people.

4th. Virtually abrogating the Sub-treasury, they are to be made the depositories of the public funds.

5th. By adroit management, the balances standing to the credit of the country banks, of similar character, in the cities of New York, Boston, and Philadelphia, and a few other large cities, are to be recognized to the extent of their balances as the required reserve to be held by them of twenty-five per cent in legal tender, thus compelling such banks as may adopt this law to withdraw their accounts, however unwillingly, from their present friends and transfer them to the new banks:

Let us suppose that the reasons are sufficient to induce us to avoid the conflict, to wind up, return our capital to our stockholders, and, after liquidation, renew our existence under the new system, (a plan exceedingly consoling, but which, unfortunately, the laws of the State of New York decidedly prohibit,) what do we see?

1st. The sweeping out of existence the institutions created under the

laws of one of the most powerful and loyal States in the Union, whose blood and treasure has been poured out like water in the suppression of the rebellion; the consequent additional taxation thrown upon its citizens, and the natural indignation at a wanton exhibition of power.

But, here, let me not be misunderstood. I conceive that one of the worst features of this bill is, that it is unnecessarily throwing a firebrand into the State, raising the question of State rights. Nevertheless, I deem the sovereignty of the nation so vital, that if it were necessary to its life I would assent to the entire wiping out of State lines, if that life could be only purchased at so dear a rate.

2d. We see a circulation, paper money based upon paper; a time debt reconverted into a demand debt; a circulation resting on a conventional value, which value is subject to continual fluctuations, (as see, for instance, our New York State stocks in 1857, sinking some forty per cent, and the banks based upon them only prevented from failure by the combined action of the city banks,) under the endorsement of the government, aided and nursed by its deposits, sweeping over the face of the whole continent, but only redeemable—please mark! only redeemable and *protestable* at the points of *issue*, whether those points of issue be in California, Texas, Georgia, or South Carolina—a circulation forced upon the people in its transactions with the government, but with which they cannot pay their debts to each other—a gigantic “uncurrent money;” an uncurrent money which, if successful, in time is to pay us our one hundred millions of seven and three-tenth notes; failing our disposition to lock up our capital in the long loans, the alternative.

The “Banking Bill” limits this circulation to three hundred millions; but the same power that forced the bill through Congress can probably cause an amendment to that law, authorizing three times that amount in addition. The whole scheme of this circulation is the throwing upon individuals the responsibility of an additional three hundred millions of a *quasi* legal tender, which should have been done, if done at all, fairly and openly by the Secretary of the Treasury.

The fallacy of making stock the base of circulation is fully demonstrated in England, where a very limited portion of the government debt is recognized with gold as its basis; but there, periodically, in the contractions of the credit system, we see the “Throne” compelled to come to the rescue in legalizing that which is unable to comply with the law. Unhappily, at this moment, we have Mr. ROBERT J. WALKER rendering this country absurd in England, in proclaiming the merits of this bill to the keen political economists of that country, before whose educated reasoning the whole scheme will wither like parchment in the fire.

The Secretary of the Treasury could “not recognize two currencies.” He has already furnished us with three: Demand notes; Five per cent legal tender notes, and new “National Bank” notes—all to be admitted as money in the settlement of debts with the Government, but two alone by the people. If the theory of the Secretary of the Treasury be successful, we shall have a thousand banks spread over the whole Continent, initiated and managed, in the majority of cases, by inexperienced men, without saying anything of unprincipled adventurers, who will flood the country with a currency essentially irredeemable, banks from whom will radiate a fearful expansion in the shape of credits issued on deposits, themselves the birth of inflation, and, Protean-like, from which elements still

further inflations will emanate, with frantic speculation and elevation of prices, until some political convulsion, or the mere hint of a return to specie payments, pricking the bubble, the "system" will collapse, spreading desolation and ruin broadcast over the land, producing such a scene of financial calamity as shall make all our previous convulsions compare with it as a child's rattle to a whirlwind.

One of the worst features of this system is the deception of ignorant and well-meaning people, who will become depositors with these institutions, and whose property in that shape the Government will seize in its efforts to make good the deficiency in their circulation; for the Government, by the bill, is made a preferred creditor of all assets of these institutions until the currency is redeemed. Of course, there will be exceptions, cases where experienced and careful men will invest their capital in them, but they, with all of us, will be borne away helplessly in the storm which the inevitable future will prepare for us, if Providence, in its wrath, should allow this system to have full sway.

The whole scheme is the theory of inexperienced and unpracticed men. The productive resources of this country are fully competent to carry us through this war, and to pay the debt, its cost, principal and interest, within a century; but were they doubled, they could not avert the calamity to the nation that the success of this project will carry in its train. Now, why is all this? What was, what is, the necessity, in a time of domestic convulsion, when the nation is struggling for life, when the government had, and has, more than all it can do to keep itself from destruction, that we must have this bold experiment in political economy? Why chill and estrange the friends who have come so nobly to the rescue, to turn them into enemies, by the endeavor to initiate, in a time of civil war, a change in the currency of the nation, which wise men would approach with fear and trembling in a period of profound peace? The banks, with the experience of a century, were becoming more and more stable, more and more firm, more and more governed by fixed and recognized laws, more and more a single piece of machinery, through the liquidation of their debts at the Clearing-houses, in the financial centers of the great cities, subject, of course, to the occasional vicissitudes which must occur to all that deal in credit, whether nations, corporations, or individuals; and of which this scheme will furnish a fearful example, if it is successful in obtaining an existence, such as its projector sanguinely hopes.

The Secretary of the Treasury has already flooded the country with legal tender notes to the extent of four hundred millions of dollars. Three hundred millions of this might have been spared, if he had taken the advice of experienced men, who urged him to obtain from Congress the passage of an act authorizing the Assistant Treasurer to draw upon the Associated Banks in the liquidation of transactions between the government and the people.

If the New York Clearing-house Association can liquidate, in one day, ninety millions of dollars of the debt of the community, with a resulting balance of only one million and a half of dollars, to be paid in notes, is it not equally true that the banks, which are clearing-houses for the liquidation of debt between individuals, can, by transferring their balances, settle their debt connected with the government with like economy of physical means? This was urged, not only strongly on the Secretary of the Treasury, but on the committees of Congress. That of the House was so

impressed with the truth of the position that they inserted a section in the loan bill, authorizing the Secretary of the Treasury to make use of the banks at his discretion. It passed the House, but was thrown out in the Senate. Is it unfair for us to surmise at whose suggestion? If the machinery furnished by the banks had been adopted, ignoring, if you please, and refusing the bank notes, the issue of legal tender notes required to pay the soldiers and various mechanics, all that would have been needed, could not, by any possibility, have extended beyond one hundred millions of dollars. But now the same law that obtains, compelling four hundred millions of dollars, must act in continued force; and there is nothing to prevent the requisition of one thousand millions of dollars, with all its direful consequences, to the future.

But I think I hear you say, to what does all this narration and argument tend? The evil is upon us. In what is this recapitulation of the past, and prognostics as to the future, to the purpose? They should have been used to prevent the passage of the law. What is your remedy? True, they should have been; and if we had used the proper energy by remonstrance and explanation at Washington by a suitable committee, it is probable that the evil would have been averted.

But still we are not without a remedy, and that is, as yet, in our own hands. It is plain, simple and direct, and if we are true to the positions we hold, as the guardians of the property confided to our care, in many cases the *all* of women, children, the infirm, of those who look to us as their only means of support, nay, if simply influenced by the law of self-preservation, are we not bound to adopt it? As conscientious men, using the same means we would were our own property in jeopardy; as men having some previous knowledge of the tempests of the currency; as men who, with that experience, foresees the desolation and calamity that looms fearfully in the distance to the welfare of the nation; as watchmen, if you please, whose duty it is to sound the alarm ere it is too late; are we not bound to use it? It is simply this. Let the Associated Banks in the three great cities of New York, Philadelphia and Boston, decline all recognition of these institutions, directly or indirectly, *in their exchanges*, and let them at once, at whatever expense, return the notes that they are compelled to receive from the government, to their respective points of issue for redemption. In so doing, you will keep the heart of the currency at the great city centres unscathed and whole. The power of this system for mischief will not be entirely removed; still, it will be so far controlled as to prevent the ruin to ourselves and the nation, that its entire success will surely ensue.

One word more, and I will trespass no longer on your patience. The idea exists that it is simply a matter of volition as to whether we will or will not relinquish our present charters, and renew our institutions under this law. The banks can wind up whenever they please, but it is a very different matter when they propose to renew their corporate existence under the proposed bill, which is in direct defiance of the Constitution and laws of the State of New York.

The penalties of such banking, directly or indirectly, other than under the prescribed laws of the State, are a fine of one thousand dollars each on all parties concerned, Directors, Stockholders and Officers, *and an entire making void of all contracts by or with them.*—[See Chapter 20, *Laws of 1837.*]

If in what I have said I shall have been so fortunate as to command your thorough examination of the subject, whatever your decision, I shall feel well repaid. I can say for myself, that in this communication I am impelled solely by a conscientious sense of duty; but before I lay down my pen I will also say, that if the success of this scheme of banking were necessary to the suppression of the rebellion by our Army and Navy, and the restoration of the flag of the United States over every inch of its territory, that my voice should be the last heard in opposition to it, never mind how severe the sacrifice to individual interest.

A BANK STOCKHOLDER AND DIRECTOR.

COMMERCIAL CHRONICLE AND REVIEW.

IMPROVED BUSINESS—EFFECT OF PAPER—ACCUMLATION OF MONEY—INCREASE OF DEPOSITS—DIMINISHED STOCKS—MORE PAPER LESS CAPITAL—LARGER IMPORTS—WAREHOUSE—LARGE IMPORTATION—GOOD CROPS—LESSENED EXPORTS—SPECIE—EXPORTS OF—EXCHANGE—STOCKS IMPORTED—STOCK SPECULATION—GOVERNMENT LOAN—INTEREST-BEARING LEGAL TENDER NOTES—EFFECT OF.

In the past thirty days there has been a great revival of general business at firm prices, and the stocks of goods, as well imported as domestic, are quite small for the apparent demand, which is now stronger than it has been since the war began. Thus there is a turn in the tide of investments, as the necessity for replenishing stocks of goods has become apparent. A great source of strength for the federal government in its hour of trial was, without doubt, the large amount of capital in the country when the war broke out. That capital consisted, to a considerable extent, of consumable goods, and was contained in the shops and stores that exist in every town and village. A large portion of those goods were old and, in part, dead stocks, which the owners expected to realize upon, only with great difficulty. The war and the issues of paper money had the effect to raise the prices of all goods, and thus the old stocks were got rid of, while at the same time the high prices served, of course, greatly to diminish consumption. A great national saving was thus brought about. The people bought more sparingly, because they had to pay higher prices; and for the same reason shopkeepers, while realizing high prices for old goods, hesitated about purchasing new ones. The result was, that stocks of goods were greatly reduced in quantity by being turned into paper money, which money was used for the discharge of debts or kept on hand or loaned temporarily, giving a continual abundance of money that was with difficulty employed, because no one wished to reinvest. The deposits in Banks therefore increased very rapidly, as follows:

BANK DEPOSITS.				
	New-York.	Boston.	Philadelphia.	Total.
April 12, 1862..	\$93,759,063	19,975,018	16,636,538	130,370,619
Feb., 1863.....	174,689,212	35,245,500	30,679,259	240,613,961
Increase.....	\$80,830,149	15,270,482	14,042,721	110,243,342

The largest accumulation of deposits is at New-York, where the surplus money of the interior of the country is sent for employment. The amount of reduction which has thus taken place in stocks of goods, and

which has produced this surplus of deposits, can be easily estimated by referring to the books of the Mercantile Agency. For instance, take the Stores in New York, Boston and Philadelphia, and the results are as follows :

	No. stores.	Average stock.	Present stock.	Reduction.
New-York...	17,389	\$121,670,000	\$110,000,000	\$111,670,000
Boston.....	4,940	55,700,000	30,000,000	25,700,000
Philadelphia.	8,261	67,510,000	45,000,000	22,510,000
	30,590	\$344,880,000	\$185,000,000	\$159,880,000

Thus there is, according to these figures, a reduction of \$159,880,000 in stocks of goods, that amount having been turned into paper money, which has been glutting the markets. In the whole of the Northern States there are 178,641 shops doing business, in which the reduction of stocks will reach very nearly \$1,000,000,000, or about the sum that the government has borrowed. In addition to this, there have been ships, boats, etc., produce, etc., turned into money, which has also remained unemployed. The reduction of stocks has now reached its limit, and dealers, instead of having large sums of idle money, desire to get into stock; but it requires a great deal more money now to buy the same quantities than before. Instead of there being a flood of paper from stores to banks and other reservoirs, there is apparently setting in an ebb. It will be remarked that the actual quantity of paper afloat may be greatly increased, while money—that is, capital—will become scarce and high. It formerly required \$40 to buy a bale of cotton, and it now requires \$350. Eight times as much paper is required for the operation, and eight times as much will be required to buy the cloth made from the cotton. Thus the fall business has opened with great activity, and at good profits, while in twenty years stocks have, in quantity, not been so low. These stocks must be increased, and will require four times as much money as formerly.

To pay for importations, there is little else than gold available, since the extraordinary quality and quantity of European crops cuts off to a considerable extent the exports from the United States. The business at the port of New York for August, as reported in the official returns, gives a large increase in imported goods, sold as follows :

IMPORTS, PORT OF NEW YORK.

	Specie.	Free goods.	Entered for—		Total.
			Consumption.	Warehouse.	
January.....	\$101,906	\$2,413,649	\$8,741,227	\$4,482,794	\$15,739,676
February.....	213,971	783,561	7,372,539	3,657,775	12,037,846
March.....	123,616	1,328,806	11,461,572	3,454,580	16,370,524
April.....	107,061	1,328,216	9,493,830	6,456,208	17,385,315
May.....	197,217	710,021	7,980,281	5,437,404	14,324,923
June.....	109,997	780,963	6,328,581	5,377,865	12,597,426
July.....	182,245	683,880	9,080,210	4,227,265	14,173,600
August.....	113,877	509,781	10,004,580	4,409,891	15,038,129
Total 8 months	\$1,149,890	\$8,533,967	\$70,462,870	\$41,896,200	\$122,047,877
" 1862....	824,259	17,024,951	70,784,461	31,124,807	119,708,478

The quantity of goods imported in August does not show the extent of business, but the quantity withdrawn from warehouses shows the change.

	For consumption.	From warehouse.	Total.
1862.....	10,289,427	2,386,607	12,676,034
1863.....	10,004,580	6,420,421	16,434,001
Increase.....		4,042,814	3,767,967

The process of selling old goods has effected the clearing out in some cases of goods that have been on hand two or three years, and the most remarkable avidity in buying goods succeeded in September to the long paralysis which seemed to settle upon the markets. This activity was deemed preparatory to a large importation late in the autumn; but the demand is sudden, and if met abroad, will only be at very high prices. On the other hand, the harvests of England and Western Europe are represented to be better than for many years. The value of the English crop is supposed to be \$150,000,000 more than last year. These circumstances usually stimulate a great demand for goods; food being cheap. The effect upon United States exports is, however, adverse. The exports for August have been comparatively as follows:

EXPORTS, PORT OF NEW YORK.

	Specie.	Foreign.		Domestic.	Total.
		Free.	Dutiable.		
January.....	\$4,624,574	\$73,111	\$668,275	\$14,829,398	\$19,695,351
February.....	3,965,664	48,889	610,009	17,780,586	22,400,148
March.....	6,385,442	213,685	758,266	16,137,689	23,695,082
April.....	1,972,334	74,949	375,224	11,581,933	14,004,940
May.....	2,115,679	101,337	602,254	13,183,510	16,002,780
June.....	1,367,774	49,380	298,067	14,780,072	16,495,293
July.....	5,268,881	77,282	448,601	15,298,078	21,092,787
August.....	2,465,361	90,818	231,774	10,666,959	14,454,809
Total 8 months	\$29,366,109	\$724,398	\$3,992,470	\$118,758,220	\$147,841,197
" 1862....	39,757,220	1,862,629	3,256,831	86,102,199	130,968,879

The amount realized from these exports, corrected by the price of gold, gives a considerable balance against the country, and, in connection with the fact that freights are very cheap and mostly in foreign bottoms, indicates that the drain may be large in gold to pay for the enhanced exports.

The receipts and exports of gold have been as follows:

SPECIE AND PRICE OF GOLD.

	1862.		1863.			
	Received.	Exported.	Received.	Exported.	Gold in bank.	Prem. on gold.
January 3.	.....	442,147	.....	681,448	36,954,550	34½ a 34½
" 10.	885,928	1,035,025	1,277,788	726,746	36,770,746	84 a 39
" 17.	.....	547,703	.....	1,380,247	37,581,465	40 a 49
" 24.	627,767	322,918	678,841	780,816	38,549,794	47 a 50½
" 31.	.....	310,484	.....	1,331,027	38,894,840	48½ a 60½
February 7.	854,000	976,235	801,860	1,277,000	38,243,839	57½ a 57½
" 14.	614,146	1,156,154	359,978	1,152,546	38,426,460	53½ a 53½
" 21.	759,247	934,512	.....	520,017	37,981,310	54 a 64
" 28.	741,109	510,774	285,394	1,377,016	39,512,256	71 a 72
March 7.	679,074	585,236	1,243,531	733,643	39,705,089	52½ a 53
" 14.	677,058	477,335	.....	3,540,550	36,110,085	54½ a 54½
" 21.	.....	540,968	249,514	1,201,907	38,955,122	53 a 54½
" 28.	490,368	779,564	159,105	1,050,156	34,317,691	41 a 42
April 4.	581,293	673,826	250,778	478,385	34,267,121	53 a 54
" 11.	.....	1,505,728	250,728	607,059	35,406,145	46 a 52½
" 18.	617,279	693,436	217,602	158,487	36,761,696	52 a 53½

		1862.		1863.			
		Received.	Exported.	Received.	Exported.	Gold in bank.	Prem on gold.
April	25.	635,546	1,151,800	256,604	629,855	37,175,067	47 a 51½
May	2.	410,804	712,275	.....	294,998	36,846,528	48 a 50½
"	9.	484,019	1,574,166	205,057	451,827	38,102,838	58½ a 47
"	16.	604,692	1,093,081	.....	661,996	38,556,552	49 a 49½
"	23.	501,204	938,032	258,570	488,745	38,544,865	48½ a 49
"	30.	224,911	881,452	.....	279,994	37,632,634	44½ a 44½
June	6.	553,035	1,647,299	318,066	411,483	37,241,670	46 a 46½
"	13.	352,391	1,990,327	.....	285,364	37,884,128	48 a 48½
"	20.	612,461	3,156,988	.....	522,147	38,314,206	42 a 43½
"	27.	393,212	3,094,101	187,082	184,432	38,271,702	46 a 46½
July	4.	.....	2,647,060	.....	347,807	38,302,826	44 a 44½
"	11.	641,451	2,424,916	254,947	401,936	38,712,397	32½ a 32½
"	18.	441,179	1,848,023	.....	2,190,781	38,254,427	23 a 23½
"	25.	.....	784,537	.....	1,725,748	35,910,227	26 a 26½
August	1.	G. Gate lost.	748,528	270,182	480,374	33,746,681	28½ a 29
"	8.	964,422	890,552	.....	530,044	33,156,548	26½ a 27
"	15.	.....	700,431	313,612	1,210,230	32,874,913	25 a 25½
"	22.	1,089,111	919,825	.....	238,398	31,520,499	24½ a 25
"	29.	.....	1,137,644	231,554	1,379,710	32,030,055	24½ a 24½
Sept.	5.	807,063	551,097	.....	309,799	31,989,381	32½ a 33
"	12.	.....	1,042,835	279,043	852,752	32,018,107	23 a 29
"	19.	934,415	490,865	193,584	535,796	30,008,566	32½ a 33
"	26.	758,286	996,892	277,380	1,411,611	31,014,411	39 a 39½
Total....		18,063,938	43,230,075	8,541,978	82,517,027	.....	.....

The receipts from California certainly diminish, while the exports are well sustained to cover bankers bills, the rates of which are regulated by the price of gold. This varies so much, however, as to produce the greatest irregularity. It frequently varies 3 @ 4 per cent on packet days, causing as great a variation in bills, much to the surprise of foreign correspondents. The ruling rates of bills on packet days have been as follows:

RATES OF EXCHANGE.

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Jan. 3.	146 a 147½	3.85 a 3.80	56 a 56½	56 a 56½	49½ a 49½	98 a 98½
" 10.	149 a 152	3.72½ a 3.67½	56 a 58	57½ a 58½	50½ a 51½	99 a 100
" 17.	160 a 162	3.52½ a 3.45	60½ a 61½	61 a 62½	54 a 54½	108 a 110
" 24.	162½ a 163	3.50 a 3.45	61 a 61½	61½ a 62	54 a 54½	107 a 108½
" 31.	171 a 177	3.32 a 3.15	65½ a 66½	65 a 67	57 a 58½	114 a 117
Feb. 7.	169 a 173	3.30 a 3.25	65 a 65½	65 a 65½	57 a 57½	114 a 116
" 14.	170 a 171	3.32 a 3.27	65 a 65½	65 a 65½	56½ a 57½	113½ a 114½
" 21.	171 a 179½	2.20 a 3.12	67 a 68½	66 a 68½	59 a 60½	118½ a 119½
" 28.	185 a 188	3.10 a 3.00	67½ a 71	70 a 71	61½ a 62½	123 a 124
Mar. 7.	167 a 169	3.37½ a 3.30	64 a 64	65 a 66	55 a 55½	111 a 113
" 14.	168 a 171	3.35 a 3.30	64 a 64	64½ a 66½	56½ a 56½	112 a 114
" 21.	169½ a 171½	3.37½ a 3.27½	63½ a 63½	63½ a 64½	56 a 57	113 a 114
" 28.	157 a 161	3.57 a 3.47	61 a 62	61 a 62	53 a 54	107 a 108
April 4.	168 a 172	3.40 a 3.25	62½ a 63½	62½ a 64	55½ a 57	111 a 111
" 11.	158 a 162	3.55 a 3.45	61 a 62	61 a 62	53½ a 54½	106 a 108
" 18.	165 a 167½	3.37½ a 3.45	62½ a 62½	62½ a 63	54½ a 55½	108 a 110
" 25.	163 a 165	3.47½ a 3.50	61 a 61½	61½ a 62	53½ a 54½	107 a 108
May 2.	163 a 165	3.47½ a 3.42	61½ a 62½	61½ a 62½	53½ a 54½	107 a 108
" 9.	168 a 170	3.42½ a 3.32	62½ a 63	62½ a 63½	55½ a 56½	110 a 112
" 16.	162½ a 164	3.50 a 3.45	61½ a 62	61½ a 62½	54 a 55	107 a 109
" 23.	161 a 163	3.52 a 3.45	61 a 61½	61½ a 62	54 a 54½	107 a 108
" 30.	156½ a 158	3.62½ a 3.55	59½ a 60½	60 a 60½	52½ a 53	104½ a 106
June 6.	158½ a 160	3.57½ a 3.52½	59½ a 61½	60 a 60½	52½ a 53½	105 a 106
" 13.	156 a 161	3.55 a 3.47½	59½ a 61	60 a 61½	52½ a 54	104 a 107
" 20.	155 a 157	3.62 a 3.57½	58½ a 59	58½ a 59½	51 a 52	103 a 104

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
June 27, 189	a 160½	3.55 a 3.50	59½ a 60½	60 a 60½	52½ a 52½	106½ a 107
July 11, 143	a 146	3.95 a 3.85	54 a 54½	54 a 55½	47½ a 48½	94 a 96
" 18, 138	a 139	4.07 a 4.02	51½ a 52	50 a 52½	46½ a 46½	92 a 93
" 25, 138	a 139	4.10 a 4.05	51½ a 52½	51½ a 52½	45½ a 46½	91 a 92
Aug. 1, 140	a 141½	4.06½ a 4.00	52½ a 53	52½ a 53½	46½ a 47½	92½ a 93½
" 8, 139½	a 140½	4.06 a 4.00	52½ a 52½	52½ a 52½	46½ a 47	92 a 92½
" 15, 137½	a 138½	4.12½ a 4.08½	51½ a 52	52 a 52½	45½ a 46	91½ a 92
" 22, 137½	a 138½	4.12½ a 4.08½	51½ a 52½	52 a 52½	45½ a 45½	90½ a 91½
" 29, 135½	a 136½	4.10 a 4.15	51 a 51½	21½ a 51½	45 a 45½	90 a 91
Sept. 5, 141	a 147	4.00 a 3.90	52½ a 56½	52½ a 52½	46½ a 48	95½ a 96½
" 12, 142	a 144½	3.92½ a 4.00	53 a 53½	53½ a 54	47 a 48	93½ a 94½
" 19, 146	a 147½	3.87½ a 3.83	54½ a 55	54½ a 55½	48 a 48½	95½ a 97

An active speculation in gold, carrying up the price, stimulates the exports of produce, and this frequently occurs upon steamer days. The demand for bills did not keep up to the anticipation caused by the active sale of foreign goods, for the reason that the demand for goods was unexpectedly large and fell upon stocks already here and in warehouse and which had been paid for, since, in the irregularity of the exchange market, it had become customary to settle at once to fix the cost of goods. A demand for bills was, however, caused by the great rise in stocks, which caused many railroads, etc., to be sent here from London for realization. The direction of speculation has continued to be in stocks; but these have reached such high values while accumulating in the hands of a few large operators, awaiting a more general speculation on the part of the public, that the latter have been repelled. The holding, however, absorbs a good deal of money, of which the price has remained pretty firm at 7 per cent on stocks with large margins. The subscriptions to the United States five-twenties have also continued to be fair, absorbing a good deal of money. The amount of them outstanding has been reported as follows at different times:

	Five-twenties.	Other paper.	Total debt.
April 1.....	\$36,593,856	\$845,952,624	\$882,546,480
July 1.....	185,684,141	911,590,224	1,097,274,365
September 1.....	256,659,100	977,780,000	1,244,439,200
" 20.....	264,701,000	992,100,000	1,256,801,000

On the first of September fell due the army pay, and to meet that the Secretary of the Treasury borrowed \$50,000,000 of the banks of the three cities on \$50,000,000 of legal tender notes, redeemable in two years and bearing five per cent interest—the banks to have six per cent interest up to the delivery of the notes to them in November, when they will be printed. The whole proceedings on this loan will be found on another page. These new notes being a legal tender cannot depreciate, because they are applicable to the payment of the bank's debts. They therefore became to them more desirable, even at five per cent in paper, than long stock at six per cent in gold, since the latter incur the risk of depreciation. The effect of these notes upon the market, in relation to their tendency to make money more or less plenty, was much discussed, many considered, with the Secretary of the Treasury, that they would be held for interest; but inasmuch as they may be every six months converted, principal and interest, into "greenbacks" they will inevitably cause money to flow out as fast as they may raise its value in their character of an investment. The effect of the loan may be observed in the returns of the

banks, on another page, when, for the week ending September 12, the loans were increased \$21,000,000, and in the subsequent week \$7,000,000 more. The mode of making the return by average on the week causes the amount to be less than the fact. Thus in New York \$35,000,000 was carried to the credit of the government on the third day of the week, and the average for six days makes it appear as \$21,000,000. The banks have paid up three installments on the loan.

The prices of government stocks have been as follows :

PRICES UNITED STATES PAPER.

	6's, 1881.—		5's, 1874.	7 3-10, 8 years.	1 year certif. Old.	New.	Gold.	August demand notes.
January 3...	Reg. 96½	Coup. 98	88½	102½	96½	...	34½ a	34½ 29
" 10...	97½	98	90	103	97	...	37½ a	38 35
" 17...	91½	91½	88½	101	95	...	49 a	46½ 43
" 24...	95	96	90	102	96	...	47 a	48½ 44½
" 31...	92½	94	86	101½	94	...	55 a	60½ 53
February 7...	92	98½	85½	102	94	...	57½ a	57½ 55
" 14...	94	96	87½	102½	96	...	53½ a	53½ 51
" 21...	96½	97½	91½	103½	95	...	58½ a	54 62
" 28...	100½	102½	97	105½	98½	...	71 a	71½ 71
March 7...	99½	100½	94½	105	98½	...	52½ a	53 53
" 14...	104½	104½	98	106½	100	...	54½ a	54½ 53
" 21...	103½	104½	96	107	100	...	54½ a	54½ ..
" 28...	104½	105	96½	106½	100	...	41 a	41½ ..
April 4...	104½	105	97½	104½	99	...	58 a	53 ..
" 11...	104½	105	97½	105	100½	...	46 a	52½ ..
" 18...	104	105	96	105	101	...	53 a	53½ ..
" 25...	105	105	96	106	102	99½	151½ a	151½ ..
May 2...	105½	106½	97½	106½	102	99½	150 a	150½ ..
" 9...	106	107	97	106	101½	99½	152½ a	152½ ..
" 16...	108	108	97½	107	101½	99½	149 a	149½ ..
" 23...	108½	108½	97½	107½	101½	99½	148½ a	149 ..
" 30...	108	108	97½	107	101½	99½	144½ a	144½ ..
June 6...	104	108½	99	107	101½	97½	146 a	146½ ..
" 13...	104½	108½	99	106	101½	98	148 a	148½ ..
" 20...	108½	108½	98½	106	101	98½	142½ a	143½ ..
" 27...	102	107½	98	104	100½	97	146½ a	146½ ..
July 11...	104½	105	97½	106	100½	98½	132½ a	132½ ..
" 18...	104½	106	98	106½	101	99	125 a	125½ ..
" 25...	105½	106½	97	106½	100½	98½	126 a	126½ ..
August 1...	104½	105½	96½	106½	101	99½	128½ a	127 ..
" 8...	105½	106½	96½	106½	101	99½	126½ a	127 ..
" 15...	105½	106½	97	106½	101	99½	125 a	125½ ..
" 22...	106	107½	97	107	101½	99½	124½ a	125 ..
" 29...	106	107½	95	107	101½	99½	124½ a	124 ..
Sept. 5...	106	106	95	106	100½	99½	132½ a	133 ..
" 12...	105	106½	95	106	101	99½	128 a	129 ..
" 19...	106	106½	96	106½	101½	99½	133½ a	133½ ..
" 26...	106½	106½	96	106½	101½	99½	139½ a	139½ ..

The adverse news from the army, in connection with the large imports and diminished exports of produce, complicated with the foreign political aspect, caused a continued and active rise in gold in the last week of September, carrying the price up to 143—a rise of 20 per cent in thirty days, and of course measuring a corresponding fall in the specie value of stocks.

THE PILCHARD FISHERY IN CORNWALL.

BY WILKIE COLLINS.

If it so happened that a stranger in Cornwall went out to take his first walk along the cliffs towards the south of the country, in the month of August, that stranger could not advance far in any direction without witnessing what would strike him as a very singular and alarming phenomenon. He would see a man standing on the edge of a precipice, just over the sea, gesticulating in a very remarkable manner, with a bush in his hand, waving it to the right and the left, brandishing it over his head, sweeping it past his feet; in short, apparently acting the part of a maniac of the most dangerous description. It would add considerably to the startling effect of this sight on the stranger aforesaid, if he were told, while beholding it, that the insane individual before him was paid for flourishing the bush at the rate of a guinea a week. And if he, thereupon, advanced a little to obtain a nearer view of the madman, and then observed on the sea below (as he certainly might) a well-manned boat, turning carefully to right and left exactly as the bush turned right and left, his mystification would probably be complete, and his ideas on the sanity of the inhabitants of the neighborhood would at least be perplexed with grievous doubt.

But a few words of explanation would soon make him alter his opinion. He would then learn that the man with the bush was an important agent in the Pilchard Fishery of Cornwall; that he had just discovered a shoal of pilchards swimming towards the land; and that the men in the boat were guided by his gesticulations alone, in securing the fish on which they and all their countrymen on the coast depend for a livelihood.

To begin, however, with the pilchards themselves, as forming one of the staple commercial commodities of Cornwall. They may be, perhaps, best described as bearing a very close resemblance to the herring, but as being rather smaller in size and having larger scales. Where they come from before they visit the Cornish coast—where those that escape the fishermen go to when they quit it, is unknown; or, at best, only vaguely conjectured. All that is certain about them is, that they are met with, swimming past the Scilly Isles, as early as July (when they are caught with a drift-net.) They then advance inland in August, during which month the principal, or “inshore,” fishing begins; visit different parts of the coast until October or November; and after that disappear until the next year. They may be sometimes caught off the south-west part of Devonshire, and are occasionally to be met with near the southernmost coast of Ireland; but beyond these two points they are never seen on any other portion of the shores of Great Britain, either before they approach Cornwall, or after they have left it.

The first sight from the cliffs of a shoal of pilchards advancing toward the land, is not a little interesting. They produce on the sea the appearance of the shadow of a dark cloud. This shadow comes on, and on, until you can see the fish leaping and playing on the surface by hundreds at a time, all huddled close together, and all approaching so near to the shore, that they can be always caught in some fifty or sixty feet of water. Indeed, on certain occasions, when the shoals are of considerable magnitude, the

fish behind have been known to force the fish before, literally up to the beach, so that they could be taken in buckets, or even in the hand with the greatest ease. It is said that they are thus impelled to approach the land by precisely the same necessity which impels the fishermen to catch them as they appear—the necessity of getting food.

With the discovery of the first shoal, the active duties of the “look-out” on the cliffs begin. Each fishing-village places one or more of these men on the watch all round the coast. They are called “huer,” a word said to be derived from the old French verb, *huer*, to call out, to give an alarm. On the vigilance and skill of the “huer” much depends. He is, therefore, not only paid his guinea a week while he is on the watch, but receives, besides, a perquisite in the shape of a percentage on the produce of all the fish taken under his auspices. He is placed at his post, where he can command an uninterrupted view of the sea, some days before the pilchards are expected to appear; and, at the same time, boats, nets, and men are all ready for action at a moment’s notice.

The principal boat used is at least fifteen tons in burden, and carries a large net called the “seine,” which measures a hundred and ninety fathoms in length, and costs a hundred and seventy pounds—sometimes more. It is simply one long strip, from eleven to thirteen fathoms in breadth, composed of very small meshes, and furnished, all along its length, with lead at one side and corks at the other. The men who cast this net are called the “shooters,” and receive eleven shillings and sixpence a week, and a perquisite of one basket of fish each out of every haul.

As soon as the “huer” discerns the first appearance of a shoal, he waves his bush. The signal is conveyed to the beach immediately by men and boys watching near him. The “seine” boat (accompanied by another small boat, to assist in casting the net) is rowed out where he can see it. Then there is a pause, a hush of great expectation on all sides. Meanwhile, the devoted pilchards press on—a compact mass of thousands on thousands of fish, swimming to meet their doom. All eyes are fixed on the “huer;” he stands watchful and still until the shoal is thoroughly embayed, in water which he knows to be within the depth of the “seine” net. Then, as the fish begin to pause in their progress, and gradually crowd closer and closer together, he gives the signal; the boats come up, and the “seine” net is cast, or, in the technical phrase, “shot” overboard.

The grand object is now to enclose the entire shoal. The leads sink one end of the net perpendicularly to the ground—the corks buoy up the other to the surface of the water. When it has been taken all round the fish, the two extremities are made fast, and the shoal is then imprisoned within an oblong barrier of network surrounding it on all sides. The great art is to let as few of the pilchards escape as possible, while this process is being completed. Whenever the “huer” observes from above that they are startled, and are separating at any particular point, to that point he waves his bush, thither the boat is steered, and there the net is “shot” at once. In whatever direction the fish attempt to get out to sea again, they are thus immediately met and thwarted with extraordinary readiness and skill. This labor completed, the silence of intense expectation that has hitherto prevailed among the spectators on the cliff, is broken. There is a great shout of joy on all sides—the shoal is secured!

The “seine” is now regarded as a great reservoir of fish. It may remain in the water a week or more. To secure it against being moved from its

position in case a gale should come on, it is warped by two or three ropes to points of land in the cliff, and is at the same time, contracted in circuit, by its opposite ends being brought together, and fastened tight over a length of several feet. While these operations are in course of performance, another boat, another set of men, and another net (different in form from the "seine") are approaching the scene of action.

This new net is called the "tuck;" it is smaller than the "seine," inside which it is now to be let down for the purpose of bringing the fish closely collected to the surface. The men who manage this net are termed "regular seiners." They receive ten shillings a week, and the same perquisite as the "shooters." Their boat is first of all rowed inside the seine-net, and laid close to the seine-boat which remains stationary outside, and to the bows of which one rope at one end of the "tuck" net is fastened. The "tuck" boat then slowly makes the inner circuit of the "seine," the smaller net being dropped overboard as she goes, and attached at intervals to the larger. To prevent the fish from getting between the two nets during this operation, they are frightened into the middle of the enclosure by beating the water at proper places, with oars, and heavy stones fastened to ropes. When the "tuck" net has at length traveled round the whole circle of the "seine," and is securely fastened to the "seine" boat, at the end as it was at the beginning, every thing is ready for the great event of the day—the hauling of the fish to the surface.

Now, the scene on shore and sea rises to a prodigious pitch of excitement. The merchants, to whom the boats and nets belong, and by whom the men are employed, join the "huer" on the cliff; all their friends follow them; boys shout, dogs bark madly; every little boat in the place puts off crammed with idle spectators; old men and women hobble down to the beach to wait for the news. The noise, the bustle, and the agitation, increase every moment. Soon the shrill cheering of the boys is joined by the deep voices of the "seiners." There they stand, six or eight stalwart, sun-burnt fellows, ranged in a row in the "seine" boat, hauling with all their might at the "tuck" net, and roaring the regular nautical "Yo-heave-ho!" in chorus! Higher and higher rises the net, louder and louder shout the boys and the idlers. The merchant forgets his dignity, and joins them; the "huer," so calm and collected hitherto, loses his self-possession and waves his cap triumphantly—even you and I, reader, uninitiated spectators though we are, catch the infection, and cheer away with the rest, as if our bread depended on the event of the next few minutes. "Hooray! hooray! Yo-hoy, hoy, hoy! Pull away, boys! Up she comes! Here they are!" The water boils and eddies; the "tuck" net rises to the surface, and one teeming, convulsed mass of shining, glancing, silvery scales; one compact crowd of thousands of fish, each one of which is madly endeavoring to escape, appears in an instant!

The noise before, was as nothing compared with the noise now. Boats as large as barges are pulled up in hot haste all round the net; baskets are produced by dozens; the fish are dipped up in them, and shot out, like coals out of a sack, into the boats. Ere long, the men are up to their ankles in pilchards; they jump upon the rowing benches and work on, until the boats are filled with fish as full as they can hold, and the gunwales are within two or three inches of the water. Even yet, the shoal is not exhausted; the "tuck" net must be let down again and left ready for a fresh haul, while the boats are slowly propelled to the shore, where we must join them without delay.

As soon as the fish are brought to land, one set of men, bearing capacious wooden shovels, jump in among them; and another set bring large hand-barrows close to the side of the boat, into which the pilchards are thrown with amazing rapidity. This operation proceeds without ceasing for a moment. As soon as one barrow is ready to be carried to the salting-house, another is waiting to be filled. When this labor is performed by night—which is often the case—the scene becomes doubly picturesque. The men with the shovels, standing up to their knees in pilchards, working energetically; the crowd stretching down from the salting-house, across the beach, and hemming in the boat all round; the uninterrupted succession of men hurrying backwards and forwards with their barrows, through a narrow way, kept clear for them in the throng; the glare of the lanterns giving light to the workmen, and throwing red flashes on the fish as they fly incessantly from the shovels over the side of the boat, all combined together to produce such a series of striking contrasts, such a moving picture of bustle and animation, as not even the most careless of spectators could ever forget.

Having watched the progress of affairs on the shore, we next proceed to the salting-house, a quadrangular structure of granite, well-roofed in all round the sides, but open to the sky in the middle. Here, we must prepare ourselves to be bewildered by incessant confusion and noise; for here are assembled all the women and girls in the district, piling up the pilchards on layers of salt, at three-pence an hour; to which remuneration a glass of brandy and a piece of bread and cheese are hospitably added at every sixth hour by way of refreshment. It is a service of some little hazard to enter this place at all. There are men rushing out with empty barrows, and men rushing in with full barrows, in almost perpetual succession. However, while we are waiting for an opportunity to slip through the doorway, we may amuse ourselves by watching a very curious ceremony which is constantly in course of performance outside it.

As the filled barrows are going into the salting-house, we observe a little urchin running by the side of them, and hitting their edges with a long cane, in a constant succession of smart strokes, until they are fairly carried through the gate, when he quickly returns to perform the same office for the next series that arrive. The object of this apparently unaccountable proceeding is soon practically illustrated by a group of children, hovering about the entrance of the salting-house, who every now and then dash resolutely up to the barrows, and endeavor to seize on as many fish as they can take away at one snatch. It is understood to be their privilege to keep as many pilchards as they can get in this way by their dexterity, in spite of a liberal allowance of strokes aimed at their hands; and their adroitness richly deserves its reward. Vainly does the boy officially entrusted with the administration of the cane, strike the sides of the barrow with malignant smartness and perseverance—fish are snatched away with lightning rapidity and pickpocket neatness of hand. The hardest rap over the knuckles fails to daunt the sturdy little assailants. Howling with pain, they dash up to the next barrow that passes them, with unimpaired resolution; and often collect their ten or a dozen fish a-piece, in an hour or two. No description can do justice to the "Jack-in-Office" importance of the boy with the cane, as he flourishes it about ferociously in the full enjoyment of his vested right to castigate his companions as often as he can. As an instance of the early development of the tyrannic tendencies of human nature, it is, in a philosophical point of view, quite unique.

But now, while we have a chance, while the doorway is accidentally clear for a few moments, let us enter the salting-house, and approach the noisiest and most amusing of all the scenes which the pilchard fishery presents. First of all, we pass a great heap of fish lying in one recess inside the door, and an equally great heap of coarse, brownish salt lying in another. Then we advance farther, get out of the way of everybody, behind a pillar, and see a whole congregation of the fair sex screaming, talking, and—to their honor be it spoken—working at the same time, round a compact mass of pilchards which their nimble hands have already built up to a height of three feet, a breadth of more than four, and a length of twenty. Here we have every variety of the “female type” displayed before us, ranged round an odoriferous heap of salted fish. Here we see crones of sixty and girls of sixteen: the ugly and the lean, the comely and the plump; the sour-tempered and the sweet—all squabbling, singing, jesting, lamenting, and shrieking at the very top of their shrill voices for “more fish,” and “more salt;” both of which are brought from the stores, in small buckets, by a long train of children running backwards and forwards with unceasing activity and in inextricable confusion. But, universal as the uproar is, the work never flags; the hands move as fast as the tongues; there may be no silence and no discipline, but there is also no idleness and no delay. Never was three-pence an hour more joyfully or more fairly earned than it is here!

The labor is thus performed. After the stone floor has been swept clean, a thin layer of salt is spread on it, and covered with pilchards laid partly edgewise, and close together. Then another layer of salt, smoothed fine with the palm of the hand, is laid over the pilchards; and then more pilchards are placed upon that; and so on until the heap rises to four feet or more. Nothing can exceed the ease, quickness, and regularity with which this is done. Each woman works on her own area, without reference to her neighbor; a bucketful of salt and a bucketful of fish being shot out in two little piles under her hands, for her own especial use. All proceed in their labor, however, with such equal diligence and equal skill, that no irregularities appear in the various layers when they are finished—they run as straight and smooth from one end to the other, as if they were constructed by machinery. The heap, when completed, looks like a long, solid, neatly-made mass of dirty salt; nothing being now seen of the pilchards but the extreme tips of their noses or tails, just peeping out in rows, up the sides of the pile.

Having now inspected the progress of the pilchard fishery, from the catching to the curing, we have seen all that we can personally observe of its different processes, at one opportunity. What more remains to be done, will not be completed until after an interval of several weeks. We must be content to hear about this from information given to us by others. Yonder, sitting against the outside wall of the salting-house, is an intelligent old man, too infirm now to do more than take care of the baby that he holds in his arms, while the baby's mother is earning her three-pence an hour inside. To this ancient we will address all our inquiries; and he is well qualified to answer us, for the poor old fellow has prematurely worked away all the pith and marrow of his life in the pilchard fishery.

The fish—as we learn from our old friend, who is mightily pleased to be asked for information—will remain in salt, or, as the technical expression is, “in bulk,” for five or six weeks. During this period, a quantity of oil,

salt, and water drips from them into wells cut in the center of the stone floor on which they are placed. After the oil has been collected and clarified, it will sell for enough to pay off the whole expense of the wages, food, and drink given to the "seiners"—perhaps for some other incidental charges besides. The salt and water left behind, and offal of all sorts found with it, furnish a valuable manure. Nothing in the pilchard itself, or in connection with it, runs to waste—the precious little fish is a treasure in every part of him.

After the pilchards have been taken out of "bulk," they are washed in clean salt water, and packed in hogsheds, which are then sent for exportation to some large seaport—Penzance, for instance—in coast traders. The fish reserved for use in Cornwall are generally cured by those who purchase them. The export trade is confined to the shores of the Mediterranean—Italy and Spain providing the two great foreign markets for pilchards. The home consumption, as regards Great Britain, is nothing, or next to nothing. Some variation takes place in the prices realized by the foreign trade—their average wholesale is stated to be about fifty shillings per hogshhead.

As an investment for money, on a small scale, the pilchard fishery offers the first great advantage of security. The only outlay necessary is that for providing boats and nets, and building salting-houses—an outlay which, it is calculated, may be covered by a thousand pounds. The profits resulting from the speculation are immediate and large. Transactions are managed on the ready-money principle, and the markets of Italy and Spain (where pilchards are considered a great delicacy) are always open to any supply. The fluctuation between a good season's fishing and a bad season's fishing is rarely, if ever, seriously great. Accidents happen but seldom; the casualty most dreaded being the enclosure of a large fish along with a shoal of pilchards. A "ling," for instance, if unfortunately imprisoned in the seine, often bursts through its thin meshes, after luxuriously gorging himself with prey, and is of course followed out of the breach by all the pilchards. Then, not only is the shoal lost, but the net is seriously damaged, and must be tediously and expensively repaired. Such an accident as this, however, very seldom happens; and when it does, the loss occasioned falls on those best able to bear it, the merchant speculators. The work and wages of the fishermen go on as usual.

Some idea of the almost incalculable multitude of pilchards caught on the shores of Cornwall, may be formed from the following data. At the small fishing cove of Trereen, 600 hogshheads were taken in little more than one week, during August, 1850. Allowing 2,400 fish only to each hogshhead—3,000 would be the highest calculation—we have a result of 1,440,000 pilchards caught, by the inhabitants of one little village alone, on the Cornish coast, at the commencement of the season's fishing!

At considerable seaport towns, where there is an unusually large supply of men, boats, and nets, such figures as those quoted above are far below the mark. At St. Ives, for example, 1,000 hogshheads were taken in the first three seine nets cast into the water. The number of hogshheads exported annually, averages 22,000. In 1850, 27,000 were secured for the foreign markets. Incredible as these numbers may appear to some readers, they may nevertheless be relied on; for they are derived from trustworthy sources—partly from local returns furnished to me; partly from the very men who filled the baskets from the boat-side, and who afterwards verified their calculations by frequent visits to the salting-houses.

Such is the pilchard fishery of Cornwall—a small unit, indeed, in the vast aggregate of England's internal sources of wealth; but yet, neither unimportant nor uninteresting, if it be regarded as giving active employment to hardy and honest race who would starve without it; as impartially extending the advantages of commerce to one of the remotest corners of our island; and—more than all—as displaying a wise and beautiful provision of Nature, by which the rich tribute of the great deep is most generously lavished on the land which most needs a compensation for its own sterility.

A YEAR'S RAILWAY WORK IN GREAT BRITAIN.

In the year 1862, the enormous number of 180,429,071 passengers traveled on the railways of the United Kingdom, besides 56,656 season-ticket holders, who, of course, traveled very many times; and besides, also, 262,334 horses, 386,864 dogs, 3,094,183 cattle, 7,800,928 sheep, and 1,989,892 pigs. The passengers were more than in 1861 by about 7,000,000. They paid £12,295,273 for their fares. The first-class passengers paid £3,332,380; the second-class, £4,018,221; the third-class, £4,639,250. 12.80 in every hundred went first-class, 28.75 second-class, 58.45 third-class. The proportion of third-class passengers is rather increasing, and of second-class rather diminishing. Thirty-five passengers were killed (nine of them owing to their own misconduct or want of caution), and 536 were injured. This is less than half the number who lost their lives in 1861 by railway accidents. The passenger trains traveled 57,542,831 miles, and the goods trains nearly as many more. The passenger traffic supplied 47.76 per cent of the total receipts of the companies, and the goods traffic the larger half, 52.24 per cent. The receipts from all the traffic amounted to £29,128,558, being nearly £3,000,000 more than the interest of the national debt, and an increase of £563,000 over the receipts of 1861; but the length of line open increased from 10,865 miles at the end of 1861, to 11,551 miles at the end of 1862. The working expenditure amounted to 49 per cent, and left the net receipts £14,820,691, nearly £130,000 more than in 1861. In the year 1862 the companies paid £220,970 for law and parliamentary expenses, £158,169 as compensation for personal injuries, £68,540 for damage and loss of goods, £375,067 for government duty, and £596,410 for rates and taxes. It took £2,708,638 to maintain the way and works, and £1,242,714 to maintain the carriages and wagons, £3,966,005 to provide locomotive power, and £3,987,637 to conduct the traffic. The total sum raised by shares and loans reached £385,218,438 at the close of the year 1862.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

BANK ITEMS AND BANK RETURNS.

THE main feature in the bank movement the past month has been the \$50,000,000 loan to the Government. A meeting of New York bank officers was held in regard to this loan, at the American Exchange Bank, at 1 o'clock P. M., September 3d, in pursuance of the following notice:

AMERICAN EXCHANGE BANK, }
NEW YORK, September 3d, 1863. }

DEAR SIR: I am requested to ask the Bank Officers to convene at this Bank to-day, (Thursday,) at one o'clock, to consider a communication from J. J. Cisco, Esq., Assistant Treasurer of the United States.

Very respectfully,

GEORGE S. COE, *President.*

The following banks were represented, viz:

Bank of New York,	Seventh Ward Bank,	Market Bank,
Mechanics' Bank,	Bank of the State of New York,	St. Nicholas Bank,
Union Bank,	American Exchange Bank,	Corn Exchange Bank,
Bank of America,	Bank of Commerce,	Continental Bank,
Phenix Bank,	Broadway Bank,	Bank of the Commonwealth,
City Bank,	Pacific Bank,	Marine Bank,
Tradesmen's Bank,	Bank of the Republic,	Atlantic Bank,
Fulton Bank,	Peoples' Bank,	Importers' & Traders' Bank,
Chemical Bank,	Hanover Bank,	Park Bank,
Merchants' Exchange Bank,	Irving Bank,	Mechanics' Banking Association,
National Bank,	Metropolitan Bank,	East River Bank,
Butchers' and Drovers' Bank,	Citizen's Bank,	And the Mercantile Bank by
Greenwich Bank,	Nassau Bank,	B. F. Wheelwright, Esq.
Leather Manufactur'rs Bank,		

The meeting was called to order by GEORGE S. COE, Esq., who stated that JOHN J. CISCO, Esq., Assistant Treasurer of the United States, who desired to make a proposal to the banks for a loan to the United States, had requested him to invite the banks to attend a meeting for that purpose. He had therefore taken the liberty of inviting the banks to meet Mr. CISCO, and he moved that the meeting be organized by the appointment of THOMAS TILESTON, Esq., as Chairman.

The meeting was then organized by the appointment of Thomas Tileston, Esq., as Chairman, and George D. Lyman, as Secretary. Mr. Cisco, upon invitation of the Chairman, then read the following letter addressed to him by the Hon. S. P. Chase, Secretary of the Treasury of the United States, viz:

TREASURY DEPARTMENT, August 31st, 1863.

DEAR SIR: The pay of the army for the current six months will require an addition to the ordinary receipts for bonds, of about \$25,000,000; and must be provided for immediately.

The best mode of doing, so as to guard against all contingencies, is to obtain subscriptions from the banks and bankers for fifty millions of Treasury Notes, by which name, as you know, Legal Tender Interest Bearing Notes are described in the Act of Congress.

The plates for these notes are now being engraved, and the issues of them will be ready during the month of September.

They will be in denomination of \$10, \$20, \$50, \$100, \$500, and \$1,000, and will be payable one year from date, with interest at five per cent.

Being legal tender for their face, excluding interest, they cannot fall below the legal tender par. Bearing interest, they cannot materially affect the circulation with reference to gold.

I will receive subscriptions for these notes, and will authorize the Assistant Treasurer to issue Certificates, on deposit of five per cent of the amount subscribed, to the Assistant Treasurer, in New York, Philadelphia, or Boston, and placing ninety-five per cent to the credit of the Treasurer of the United States, on the books of the banks or bankers subscribing.

Subscribers will be entitled to six per cent interest on the whole amount subscribed, from date of Certificate of five per cent of subscriptions until delivery of the Treasury Notes.

The amount placed to the credit of the Treasurer will be drawn only as wanted, by checks in favor of the Treasurer or Assistant Treasurer, during the months of September and October, say half in each month.

Please see the best men immediately, and ascertain whether thirty-five millions of this subscription will be made in New York.

Yours, very truly,

JOHN J. CISCO, Esq.

S. P. CHASE.

Mr. Cisco, after responding to inquiries proposed to him by Messrs J. Q. Jones, J. L. Everett, C. Barstow, and other gentlemen, retired.

The proposition was then discussed by Messrs. Moses Taylor, J. E. Williams, James Gallatin, R. Berry, R. Withers, and other gentlemen, after which the following resolutions, upon motion of George S. Coe, Esq., were unanimously adopted, viz. :

Resolved, That this meeting consider it expedient (with the approbation of our several boards of direction) to make the loan of \$35,000,000 as proposed, but only by a combination of the banks, as in former loans made to the Secretary of the United States Treasury.

Resolved, That if the loan be taken by the banks, that it is necessary that an arrangement be made, by which the certificates received for payments on account of the loan, may be used as a medium for the settlement of balances at the Clearing-house.

Motions to refer the proposition to a committee, and to stipulate that the Treasury Notes should bear interest at the rate of six per cent per annum, were lost.

The Chairman then read the following communication, viz. :

UNITED STATES TREASURY, }
New York, September 3d, 1863. }

DEAR SIR: I have this moment received a telegram from the Secretary of the Treasury, by which he consents that the time be extended so as to include the month of November.

Yours respectfully,

JOHN J. CISCO.

THOMAS TILESTON, Esq., Chairman,

After considerable discussion the following resolution, offered by Geo. S. Coe, Esq., was laid upon the table for further consideration, viz. :

Resolved, That if the loan be made as proposed, the banks agree to hold the Treasury Notes as an investment, and they will not part with them unless compelled to do so, and not until they have been offered to the Loan Committee as security for a loan, nor will they make the loan except with the understanding that all future issues of such five per cent interest bearing legal tender treasury notes shall first be offered to the banks.

The meeting then adjourned, to meet the next day, 4th instant, at the American Exchange Bank, at two o'clock, P. M.

On the following day (September 4th, 1863), the adjourned meeting was held at the American Exchange Bank, at 2 P. M. Thomas Tileston, Esq., in the chair.

The following banks were represented, viz :

Bank of New York,	Greenwich Bank,	Saint Nicholas Bank,
Manhattan Company,	American Exchange Bank,	Shoe and Leather Bank,
Union Bank,	Bank of Commerce,	Corn Exchange Bank,
Bank of America,	Broadway Bank,	Continental Bank,
Phenix Bank,	Pacific Bank,	Bank of the Commonwealth,
City Bank,	Bank of the Republic,	Oriental Bank,
Tradesmen's Bank,	Chatham Bank,	Atlantic Bank,
Fulton Bank,	Peoples' Bank,	Park Bank,
Chemical Bank,	Hanover Bank,	Mechanics' Banking Associ-
National Bank,	Irving Bank,	ation,
Butchers' and Drovers' Bank,	Metropolitan Bank,	East River Bank,
Mechanics' & Traders' Bank,	Citizens' Bank,	And Manufacturer's & Merchants' Bank.
Leather Manufacturers' Bank,	Nassau Bank,	
	Market Bank,	

The minutes of the meeting of the 3d instant were read and approved.

On motion of George S. Coe, Esq., a call of the banks was made for the purpose of ascertaining those who were willing to take their proportion of the proposed loan of \$35,000,000, on the terms offered by the Secretary of the Treasury.

The following banks signified their assent, viz. :

Bank of New York,	Bank of Commerce,	Shoe and Leather Bank,
Union Bank,	Pacific Bank,	Corn Exchange Bank,
Bank of America,	Bank of the Republic,	Continental Bank,
Phenix Bank,	Chatham Bank,	Bank of the Commonwealth,
City Bank,	Peoples' Bank,	Oriental Bank,
Tradesmen's Bank,	Hanover Bank,	Atlantic Bank,
National Bank,	Metropolitan Bank,	Park Bank,
Butchers' and Drovers' Bank,	Citizens' Bank,	Mechanics' Banking Associ-
Mechanics' & Traders' Bank,	Nassau Bank,	ation,
Greenwich Bank,	Market Bank,	East River Bank,
Leather Manufacturers' Bank,	Saint Nicholas Bank,	And Manufacturer's & Merchants' Bank.
American Exchange Bank,		

Several of the banks made their assent subject to the approval of their board of direction. The American Exchange Bank upon condition that the Treasury Notes are made payable at expiration of two or three years. The Oriental Bank upon condition that the option be given to the banks of taking future issues of the Treasury Notes, and that no other issue than that to the banks be made until the contract with them has been fulfilled.

Caleb Barstow, Esq., then moved that when this meeting adjourn that it adjourns to meet on Tuesday next, in order that the bank officers may consult with their boards of directors. The motion was lost.

On motion of John A. Stevens, Esq., it was unanimously voted that a committee of five bank officers be appointed, with Moses Taylor, Esq., as chairman, with power to select his associates, to whom the necessary details and arrangements of the loan shall be referred. Mr. Taylor declined to serve as chairman, and, upon his nomination, C. P. Leverich, Esq., was unanimously elected chairman, with power to appoint his associates. Mr. Leverich then appointed Messrs. Moses Taylor, George S. Coe, J. D. Vermilye, and J. L. Everett as his associates.

After some discussion participated in by Messrs. George S. Coe, J. E. Williams, James Gallatin, John A. Stevens, and Joseph M. Price, the following resolution was adopted unanimously, viz. :

Resolved, That we will accede to the proposition of the Secretary of the Treasury provided that he will make the notes payable at the expiration of two or three years,

(instead of one year as proposed,) with interest payable semi-annually, and provided that no issue of such notes shall be made, until the contract with us shall have been fulfilled; and that the Associated Banks shall have the option of taking any future issue of such notes.

On motion of John E. Williams, Esq., the Chairman, (Thomas Tileston, Esq.,) with Messrs. John A. Stevens and George S. Coe, were appointed a committee to communicate to John J. Cisco, Esq., Assistant Treasurer of the United States, the resolution adopted by the meeting.

The meeting then adjourned to meet on Saturday, the 5th instant at the American Exchange Bank, at one o'clock, P. M.

On the 5th of September, 1863, the adjourned meeting of bank officers was held at the American Exchange Bank, at 1 o'clock, P. M., Thomas Tileston, Esq., in the chair.

The following banks were represented, viz. :

Bank of New York,	Seventh Ward Bank,	Metropolitan Bank,
Mechanics' Bank,	American Exchange Bank,	St. Nicholas Bank,
Phenix Bank,	Bank of Commerce.	Atlantic Bank,
City Bank,	Broadway Bank,	Importers' & Traders' Bank,
Tradesmen's Bank,	Bank of the Republic,	Park Bank,
Fulton Bank,	Chatham Bank,	Mechanics' Banking Association,
Merchants' Exchange Bank,	Peoples' Bank,	And Manufacturers' & Merchants' Bank.
National Bank,	Hanover Bank,	
Butchers' and Drovers' Bank,	Irving Bank,	

The minutes of the meeting of the 4th inst. were read and approved.

The Chairman reported that the action of the last meeting had been communicated to Mr. Cisco, the Assistant Treasurer, who had telegraphed the resolution adopted by the meeting to the Secretary of the Treasury, and had also sent it to him by mail, with the request that he should reply to the resolution by telegraph, but up to the hour of meeting Mr. Cisco had not received a reply. Mr. Cisco, however, thought that he might hear from Mr. Chase while the meeting was in session, and, if so, would communicate his decision to the meeting.

The Secretary reported that the resolution adopted at the last meeting had been sent by telegraph to the chairman of the Clearing-house Associations of Boston and Philadelphia.

After some discussion it was decided to proceed as if the negotiation for the loan had been concluded.

The President of the Mechanics' Bank then offered the following resolutions, viz. :

Resolved, That the Loan Committee have custody of the original and duplicate receipts, for payments on account of the Loan, and that they shall receive and apporportion the Treasury Notes among the Associated Banks.

The resolution was unanimously adopted.

On motion of the same gentleman, it was also

Resolved, That the amount of Loan certificates held by each bank, shall be separately reported in the daily statement made to the Clearing-house.

On motion of the president of the National Bank, it was

Resolved, That until the 1st day of December next, the Loan Committee shall be authorized to issue Loan Certificates, bearing interest at the rate of six per cent per annum, payable monthly, and which may be used in the settlement of balances at the Clearing-house, until said 1st day of December next, upon deposit with the Loan Committee of any of the Stock, Bonds, or other Security of the United States, or

the receipts for payments, on account of the \$35,000,000 United States Legal Tender five per cent interest Treasury Notes, or of the Stock or Bonds of the State of New York, with a margin of ten per cent over and above the amount of Loan Certificates issued, provided, that the total amount of Loan Certificates issued shall not exceed Twenty-five million dollars.

On motion of the President of the City Bank, it was

Resolved, That the Loan Committee be instructed to enter into a contract or agreement with the Secretary of the Treasury, in which the terms and conditions upon which the loan of \$35,000,000 is made to the government, shall be fully and clearly stated in proper legal form, and subscribed by all the parties thereto.

On motion of the President of the Chatham Bank, it was

Resolved, That the Loan Committee be instructed to wait upon the banks not represented at this meeting and request their assent to the action of the banks attending

On motion of the President of the Bank of New York, it was

Resolved, That the United States Legal Tender Notes held by the banks shall be considered and used as a common fund, and that the amount of such notes, held on the morning of each day before the commencement of business, shall be reported to the Loan Committee, who shall apportion and equalize such notes between the banks in the same manner as the coin of the banks was equalized in the former loans made to the United States Government.

The meeting then adjourned.

On the 7th of September, another meeting of Bank Officers was held at the American Exchange Bank, at one o'clock, P. M., THOMAS TILSTON, Esq., in the chair.

The following Banks were represented, viz.:

Bank of New-York,	Leather M'nufact'r's Bank,	Corn Exchange Bank,
Manhattan Company,	American Exchange Bank,	Continental Bank.
Merchants' Bank,	Bank of Commerce,	Bank of the Commonwealth,
Mechanics' Bank,	Pacific Bank,	Oriental Bank,
Bank of America,	Bank of the Republic,	Atlantic Bank,
Phenix Bank,	Chatham Bank,	Importers' & Traders' Bank,
City Bank,	People's Bank,	Park Bank,
Tradesmen's Bank,	Bank of North America,	Mechanics' Banking Association,
Fulton Bank,	Hanover Bank,	Grocers' Bank,
Chemical Bank,	Irving Bank,	East River Bank,
Merchants' Exchange Bank,	Metropolitan Bank,	Manufacturers' and Merchants' Bank.
National Bank,	Citizens' Bank,	
Butchers' and Drovers' Bank,	Shoe and Leather Bank,	
Mechanics' & Traders' Bank,		

The minutes of the meeting of the 5th instant were read and approved.

The chairman stated that John J. Cisco, Esq., Assistant Treasurer of the United States, was present, and that he would read a letter which he had received from the Secretary of the Treasury in reply to the resolution adopted on the 4th instant. Mr. Cisco then addressed the meeting and said that the Resolution adopted by the Banks on Friday had been telegraphed by him to Hon. S. P. Chase, Secretary of the Treasury of the United States, who had replied immediately thereto by telegraph, but for some unexplained reason the telegram had not reached him, nor had he, until this morning, been advised of the response of the Secretary. Mr. Cisco then read the following extract from a letter received by him this morning from the Secretary of the Treasury, viz.:

“TREASURY DEPARTMENT, *September 5th, 1863.*

“MY DEAR SIR: I received your telegram yesterday, and immediately replied by the following.

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"Will make notes payable two or three years, with semi-annual interest, in denominations not less than fifty dollars: will make no additional issues unless to takers of present loan, till after October; future issue of such notes will be as small as possible, but cannot be restricted to present takers by the option proposed.

"Boston and Philadelphia have subscribed their proportion without asking any modification of terms, which I intended should be just and fair to the takers of the Loan. In my reply to your telegram, I went as far towards meeting the wishes of the takers in New-York as my views of public duty permit. The same terms will be extended to the takers at Boston and Philadelphia, and I trust will prove satisfactory to all.

"The whole effect of the transaction is, as I have already stated in my letter of the 3d, simply a temporary loan at six per cent., to be paid at any time after the first of October, in legal tender notes bearing five per cent.

"The interest on Legal Tender Notes, beginning to run from the date of payment, or from a prior date if preferred, the difference between six and five being settled on payment.

"The making the notes payable at two or three years, with semi-annual interest, will increase the cost of the notes and may cause some little delay, as the notes now being engraved are for one year. I hope not to make any additional issues this year at all, but do not think it right to make an absolute pledge, that no such issues will be made until after the entire fulfilment of the contract with the Banks, and capitalists taking the present loan, though perhaps I might safely do so.

"The only modification of my proposition, therefore, suggested by the Resolution of the takers to which I do not find myself able substantially to agree, is that which requires the option to take all future issues of such notes to be restricted to the takers of the first loan. Such a stipulation would almost certainly be disapproved by the Country and by Congress, and would be of no real advantage to anybody."

Mr. Cisco replied to several inquiries relating to the present and prospective condition of the Treasury, and expressed the opinion that if it should become necessary for the Banks to withdraw the Treasury Notes (or any of them) now deposited in the Treasury at five per cent interest, payable in gold, (if left undrawn for six months,) before the third day of November next, at which date six months interest would become due in coin, that the Secretary would then consent to pay the accrued interest in coin to the date of payment.

Mr. Cisco then retired, whereupon the President of the City Bank moved, that we accept the proposition of the Secretary of the Treasury of the United States, as it now stands.

The motion was discussed by Messrs. Williams, Coe, Stevens, Silliman, Punnett, Knapp, Moses Taylor, Price, and other gentlemen, resulting in a call of the Banks to express their opinion as to the time for which the Treasury Notes should be issued.

The following Banks preferred an issue payable three years after date, viz.:

Manhattan Company,
Merchants' Bank,
Bank of America,
Tradesmen's Bank,

National Bank,
Mechanics & Traders' Bank,
Leather Manufacturers' Bank,
American Exchange Bank,

Chatham Bank,
Hanover Bank,
Shoe and Leather Bank.

The following Banks preferred notes payable two years after date, viz.:

Bank of New-York,
Mechanics' Bank,
Chemical Bank,
Butchers & Drovers' Bank,
Pacific Bank,
Bank of the Republic,

People's Bank,
Metropolitan Bank,
Citizens' Bank,
Saint Nicholas Bank,
Continental Bank,
Oriental Bank,

Atlantic Bank,
Importers & Traders' Bank,
Park Bank,
East River Bank,
Manufacturers' and Merchants' Bank.

The following Banks expressed a preference for Notes payable one year after date, viz.:

Phenix Bank,
City Bank,
Fulton Bank,
Merchants' Exchange Bank,

Bank of Commerce,
Bank of North America,
Irving Bank,

Corn Exchange Bank,
Bank of the Commonwealth,
Grocers' Bank.

On motion it was then voted unanimously, that the Treasury Notes should be payable at the expiration of two years, with interest payable semi-annually.

The motion of the President of the City Bank, as amended, was then adopted. Thirty-four Banks voting in the affirmative, and one in the negative.

The President of the Merchants' Bank offered the following resolution, which was seconded by the President of the Bank of America, viz.:

Resolved, That the Loan be paid for, only out of the proceeds of the five per cent Certificates of Deposits, now held by the Banks, and provided that the Government pay the interest on the Gold interest Certificates in coin to the time of payment, and also provided, that Ten million dollars of the said notes shall be delivered on or before the first day of October, Ten millions on or before the fifteenth day of October, and the balance on or before the first day of November next. The exchange of the deposits for Notes to be made only on the delivery of the Notes, after the first Ten million dollars in September.

On motion of the President of the City Bank, the Resolution was laid on the table.

On motion of the President of the American Exchange Bank, it was then unanimously

Resolved, That in taking the Thirty-five million dollar loan, we do so with the understanding on our part that the Treasury Notes first prepared after payment of the equivalent be delivered to the Associated Banks, before the delivery of any such Notes to the public. That any other course would only embarrass the Banks in carrying out their contract. That a copy of this Resolution be furnished to the Secretary of the Treasury, with our assent to the agreement.

The meeting then adjourned.

For the purpose of consummating this loan, the following circulars have been addressed to the different Banks:

NEW YORK CLEARING-HOUSE, *Tuesday, Sept. 8th, 1863.*

DEAR SIR: Referring to the enclosed proceedings of the meetings of Bank Officers, held on the 3d, 4th, 5th, and 7th instants, I beg leave to advise you that the proportion of the Loan of Thirty-five million dollars awarded to your Bank, is \$ This amount should be placed to the *credit of the Treasurer of the United States, as of the date of September 8th*, and the Secretary of the Treasury informed by letter, transmitted through John J. Cisco, Esq., Assistant Treasurer, U. S., dated this day, that such credit has been made, in compliance with the terms and conditions of the Loan of Thirty-five million dollars to the Treasury of the United States, made on the 8th of September, 1863, by the Associated Banks of New-York.

The payment of the first instalment of five per cent, on account of the Loan, will be due and payable to the Assistant Treasurer this day.

The amount to be paid by your Bank is \$ for which payment you will receive from Mr. Cisco a receipt in original and duplicate, *both* of which in accordance with a resolution adopted on the 5th instant, should be deposited with C. P. Leverich, Esq., Chairman of the Loan Committee, and the amount of the payment debited to the account of the Treasurer of the United States.

I am authorized by Mr. Cisco to say that he will, if desired, receive (temporarily) your Cashier's check, for the amount of the five per cent instalment to be paid to-day.

It is particularly requested that the original and duplicate receipts for the payment of this day, be deposited with the Chairman of the Loan Committee, at or before three o'clock, P. M.

Respectfully yours,
GEORGE D. LYMAN, *Secretary.*

NEW-YORK, Tuesday, September 8th, 1863.

DEAR SIR: In order to carry out the contract with the Secretary of the Treasury of the United States for Thirty-five million dollars of Legal Tender Treasury Notes, payable at the expiration of two years, bearing interest at the rate of five per cent per annum, payable semi-annually, *it is important to the Loan Committee that all of the Associated Banks should report in their daily statements and send to the Clearing-House, daily, with their exchanges, on and after Wednesday, the 9th instant, in addition to the items heretofore reported in the Daily Statement, a report of the amount of the following securities held on the morning of each day before the commencement of business, viz:*

Amount of U. S. Legal Tender Demand Notes.

Amount of U. S. five per cent Currency Certificates of Deposit.

Amount of Loan Certificates.

A blank form of the statement desired is enclosed. A supply of such blanks will be furnished at the Clearing-House *to-day*.

N. B.—Care should be taken that the U. S. five per cent Currency Certificates of Deposit are not included in the amount of the U. S. five per cent Clearing-House Certificates of Deposit.

Respectfully yours,

C. P. LEVERICH, *Chairman of Loan Committee.*

The effects of this Loan and the calls upon it has been, in a measure, to tighten the money market. One payment of five per cent was made when the Loan was taken, and another payment of ten per cent was made Friday, the 18th of September. The New-York Banks held, September 16th, \$21,900,000 of legal tender notes, so that they have been able to meet the second demand of the Treasurer and still retain as many of these issues as they held when the Loan was first taken. It is understood that the best of feeling exists between Mr. Cisco and these institutions, and that the calls will not at any time be made burdensome, if he can avoid it.

The \$5,000,000 National Bank which was some time since announced as the Third National Bank of New York, does not seem to prosper; at least, it has lost its place and name, for it is now announced that the certificate of organization of the Third National Bank of New York was issued September 21st, by the United States Controller to an organization with only \$500,000, with privilege of increasing to \$1,000,000. This Bank No. 3, is to occupy the building, 19 Nassau street; C. V. CULVER is the President, and JOHN R. PENN, Cashier. Wall street says that the \$5,000,000 Bank has been frightened out of existence. We cannot vouch for this, not being in the secrets.

We publish a communication this month from one of our leading Bank Presidents, addressed to the officers and directors of the banks of the New York Clearing-House Association, in which is discussed the question, whether these new organizations should be admitted to the Clearing-Houses. The subject is well handled, and the antagonistic position of the State and National institutions clearly shown. This question must necessarily soon come up for discussion.

Mr. JOHN P. YELVERTON, long and favorably known in Wall street as a skillful banker and courteous gentleman, was, at an election held Saturday, September 19th, promoted from the cashiership of the Bank of North America to fill the President's chair, made vacant by the death of ISAAC

SEYMOUR. Mr. J. A. BEARDSLEY, the First Teller, was appointed acting Cashier.

We publish below our usual Bank Returns for New York, Philadelphia, and Boston, bringing the returns down to the latest dates. Government loans are, however, so mixed up with those of the commercial community that it is impossible to arrive at any correct conclusions, or obtain much information from the figures given. It would certainly be well for outsiders if these loans—private and public—were stated separately, and the amount of legal tender notes were also reported.

NEW YORK BANKS.

NEW YORK BANKS. (*Capital, Jan., 1863, \$69,494,577; Jan., 1862, \$69,493,577.*)

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
January 3.....	\$173,810,009	\$35,954,550	\$9,754,355	\$139,163,246	\$186,861,762
" 10.....	175,816,010	36,770,746	9,551,568	162,878,249	249,796,489
" 17.....	176,606,558	37,581,465	9,241,670	164,666,008	314,471,457
" 24.....	179,288,266	38,549,794	9,083,419	168,269,228	298,861,366
February 7.....	179,892,161	38,243,839	8,780,154	166,342,777	302,362,571
" 14.....	173,103,592	38,426,460	8,756,217	167,720,880	265,139,104
" 21.....	178,335,880	37,981,310	8,752,536	170,103,758	291,242,929
" 28.....	179,958,842	39,512,256	8,739,969	178,912,695	340,574,444
March 7.....	181,098,322	39,705,089	8,698,175	174,689,212	344,484,442
" 14.....	177,875,949	36,110,085	8,657,016	172,944,034	307,370,817
" 21.....	173,829,479	33,955,122	8,609,723	167,004,466	277,831,351
" 28.....	172,448,526	34,317,691	8,560,602	163,363,846	281,326,258
April 4.....	173,038,019	34,257,121	8,348,094	160,216,418	287,347,704
" 11.....	170,845,288	35,406,145	8,178,091	159,894,731	264,468,080
" 18.....	169,132,822	36,761,696	8,039,558	164,122,146	259,417,565
" 25.....	171,079,322	37,175,067	7,555,549	167,863,999	258,654,781
May 2.....	177,364,956	36,846,528	7,201,169	167,696,916	355,557,732
" 9.....	180,114,983	33,002,633	7,080,565	163,656,513	367,560,731
" 16.....	180,711,072	38,556,642	6,901,700	166,879,180	353,346,664
" 23.....	181,319,851	38,544,865	6,780,478	167,655,658	380,304,748
" 30.....	181,825,856	37,692,634	6,494,375	166,261,121	307,680,918
June 6.....	182,745,080	37,241,670	6,341,091	162,767,154	289,757,539
" 13.....	180,808,823	37,884,128	6,210,404	159,551,150	302,377,276
" 20.....	177,083,295	38,314,206	6,120,252	157,123,301	259,483,221
" 27.....	176,682,421	38,271,202	6,004,177	158,589,308	364,819,856
July 4.....	174,337,384	38,302,826	5,998,914	158,643,825	267,785,773
" 11.....	175,037,485	36,712,397	5,927,071	160,733,496	319,945,652
" 18.....	173,126,887	38,254,427	5,880,628	163,319,544	251,168,769
" 25.....	173,036,336	35,910,227	5,775,188	164,133,549	284,654,421
August 1.....	176,208,597	38,746,681	5,700,452	161,173,146	292,211,821
" 8.....	176,559,840	32,136,548	5,706,024	155,863,116	297,384,006
" 15.....	175,305,471	32,874,913	5,613,177	155,950,043	298,936,160
" 22.....	175,713,189	31,520,499	5,545,970	156,588,095	378,755,630
" 29.....	176,748,618	32,080,055	5,475,964	156,671,695	392,404,680
Sept. 5.....	178,477,037	31,989,881	5,456,016	158,110,687	394,814,312
" 12.....	200,028,980	32,018,107	5,457,866	178,588,622	371,510,559
" 19.....	207,679,456	31,014,411	5,414,643	185,576,199	343,263,949

BOSTON BANKS.

BOSTON BANKS. (*Capital, Jan., 1863, \$38,231,700; Jan., 1862, \$38,231,700.*)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5...	\$77,339,046	\$7,672,028	\$8,190,496	\$33,372,648	.....	.....
" 12...	77,427,173	7,761,000	8,373,000	33,063,800	17,006,000	13,520,000
" 19...	76,624,708	7,710,600	8,199,600	33,362,000	16,547,300	13,727,700
" 26...	76,354,000	7,710,700	8,008,500	33,847,000	16,811,700	13,958,000

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from bank.
Feb. 2...	76,496,800	7,685,000	8,865,000	34,076,800	16,889,000	14,490,000
" 9...	78,421,000	7,707,000	8,074,000	35,178,600	16,932,000	14,183,000
" 16...	78,431,000	7,794,000	8,001,000	34,908,000	17,070,700	14,095,500
" 23...	78,782,600	7,824,000	8,002,000	34,965,500	17,331,000	14,583,800
Mar. 2...	79,127,500	7,563,000	8,001,980	35,245,500	17,523,500	15,004,000
" 9...	79,274,700	7,582,000	8,225,000	35,215,000	17,340,400	14,446,500
" 16...	79,686,184	7,609,238	7,780,062	32,955,149	17,230,300	13,484,500
" 30...	77,935,000	7,572,600	7,593,800	31,604,500	17,074,400	11,601,300
April 6...	76,933,600	7,703,800	7,963,500	32,687,060	15,444,000	12,280,600
" 13...	74,551,013	7,812,895	7,762,915	32,494,822	14,557,000	12,947,800
" 20...	78,459,160	7,799,315	7,278,506	33,209,742	14,182,000	12,653,000
" 27...	78,558,000	7,838,800	7,040,000	32,781,500	13,803,000	11,966,700
May 4...	73,218,155	7,854,731	7,433,496	31,949,762	13,237,700	11,622,600
" 11...	73,062,789	7,847,849	7,688,238	31,309,985	13,147,000	11,800,000
" 18...	73,068,598	7,794,048	7,167,327	32,192,770	12,863,500	11,732,000
" 25...	72,874,000	7,777,000	7,011,700	33,000,000	12,787,000	11,748,000
June 1...	73,424,000	7,751,000	6,913,000	32,575,000	12,735,000	10,704,500
" 8...	73,592,000	7,788,557	7,030,286	31,728,285	12,626,700	10,874,700
" 15...	73,237,000	7,730,000	7,109,000	31,477,600	12,235,500	10,541,000
" 22...	73,351,000	7,697,000	7,344,500	31,355,800	12,504,600	10,914,700
" 29...	73,421,084	7,683,987	7,040,624	31,477,596	12,388,000	10,900,000
July 6...	73,548,918	7,744,327	7,473,800	31,509,232	12,233,000	10,891,000
" 13...	73,485,675	7,774,991	7,508,442	30,277,502	12,193,000	10,712,000
" 20...	73,421,500	7,684,000	7,401,500	29,287,000	12,802,000	10,154,600
" 27...	72,850,716	7,811,513	7,246,797	28,011,571	12,950,000	9,864,300
Aug. 3...	72,390,364	7,793,916	7,317,402	28,384,096	12,655,000	9,646,600
" 10...	71,997,503	7,798,276	7,440,212	28,247,266	12,322,673	10,135,180
" 17...	71,860,078	7,813,497	7,198,917	27,898,073	12,765,527	9,603,257
" 24...	71,447,520	7,780,905	7,303,757	27,510,154	12,662,321	9,573,673
" 31...	71,478,116	7,752,516	7,227,704	27,762,955	12,614,000	9,820,500
Sept. 7...	71,717,995	7,637,402	7,527,036	28,778,498	12,379,000	10,874,700
" 14...	75,599,232	7,591,589	7,600,556	31,143,588	13,424,000	11,097,000
" 21...	79,595,740	7,595,368	7,604,161	34,509,214	13,565,000	11,487,500

PHILADELPHIA BANKS.

PHILADELPHIA BANKS. (Capital, Jan., 1863, \$11,740,080; 1862, \$11,970,130.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5...	\$37,679,675	\$4,510,750	\$4,504,115	\$28,429,189	\$6,948,785	\$1,994,928
" 12...	37,533,757	4,544,786	4,450,676	28,018,792	6,890,963	1,842,932
" 19...	37,416,694	4,549,369	4,382,520	27,877,069	7,050,847	2,275,906
" 26...	37,479,712	4,572,419	4,284,947	27,773,517	6,755,980	2,638,985
Feb. 2...	37,268,894	4,562,580	4,181,503	29,231,753	6,698,210	2,909,857
" 9...	37,336,367	4,319,706	4,039,918	28,062,164	6,953,215	2,518,036
" 16...	37,710,861	4,272,347	3,888,185	28,759,049	7,452,563	2,432,073
" 23...	37,720,460	4,276,761	3,772,781	29,342,596	7,413,249	2,703,196
Mar. 2...	37,901,080	4,267,626	3,696,097	30,178,518	7,185,670	2,758,852
" 9...	38,603,871	4,249,085	3,608,870	30,679,259	7,100,258	2,499,189
" 16...	39,260,028	4,247,817	3,534,880	30,549,587	7,476,603	1,939,449
" 23...	39,458,384	4,247,688	3,295,862	30,106,135	7,418,482	1,935,014
" 30...	38,937,612	4,311,704	3,369,194	29,171,283	6,504,758	2,168,007
Apr. 6...	37,516,520	4,339,252	3,374,417	29,531,559	5,768,558	2,770,129
" 13...	36,250,402	4,343,242	3,298,685	30,117,527	5,953,809	3,014,229
" 20...	36,295,644	4,343,988	3,185,042	31,059,644	5,306,809	8,018,727
" 27...	36,482,058	4,346,377	3,078,921	31,021,799	5,448,124	2,559,868
May 4...	36,587,294	4,355,324	2,989,428	30,859,231	5,328,398	2,891,087
" 11...	36,593,179	4,359,865	2,901,600	30,949,781	4,975,939	2,542,792
" 18...	36,887,301	4,357,119	2,866,121	31,892,308	4,640,623	2,536,279
" 25...	37,116,993	4,357,169	2,808,109	32,455,953	4,623,892	2,480,714
June 1...	37,143,937	4,357,021	2,706,958	31,888,763	4,707,278	2,363,548
" 8...	37,157,769	4,357,076	2,649,283	31,549,339	4,645,712	2,313,744

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
June 15,...	87,228,627	4,357,025	2,621,098	81,648,959	4,914,425	2,892,278
" 22,...	87,219,216	4,356,744	2,596,115	81,298,880	4,868,495	2,065,918
" 29,...	87,250,665	4,859,548	2,556,855	81,466,204	5,116,699	1,820,600
July 6,...	85,986,811	4,360,745	2,564,558	28,504,544	5,060,096	1,961,814
" 13,...	84,866,842	4,360,008	2,607,253	28,701,818	4,784,843	2,530,562
" 20,...	84,662,966	4,361,999	2,482,986	29,931,608	4,580,322	2,981,867
" 27,...	84,617,347	4,227,448	2,418,463	80,448,430	4,808,045	3,034,009
Aug. 3,...	84,390,179	4,187,056	2,417,739	80,799,448	4,968,290	2,772,717
" 10,...	84,645,243	4,112,013	2,380,720	80,513,961	4,740,391	2,538,096
" 17,...	85,890,179	4,112,542	2,353,896	29,959,127	5,161,578	2,158,440
" 31,...	85,296,376	4,113,309	2,292,607	80,195,167	4,551,081	2,219,071
Sept 7,...	85,773,596	4,118,162	2,268,306	80,654,672	4,574,037	1,997,534
" 14,...	89,575,410	4,103,115	2,228,533	33,626,702	4,997,015	1,801,678
" 21,...	40,175,698	4,102,701	2,224,632	83,039,035	5,079,742	1,802,889

The following is a statement of the amount of United States legal tender notes held by the Philadelphia banks at the dates mentioned :

June 22,.....	\$6,082,729	Aug. 10,.....	\$7,780,640
" 29,.....	6,952,160	" 17,.....	7,530,339
July 6,.....	5,953,622	" 31,.....	6,853,540
" 13,.....	6,916,751	Sept. 7,.....	7,382,810
" 20,.....	7,066,593	" 14,.....	7,081,480
July 27,.....	7,903,782	" 21,.....	6,573,404
Aug. 3,.....	8,430,782		

BANK OF ENGLAND.

The following comparative table will be of interest, affording as it does a view of the bank returns, the bank rate of discount, and the price of wheat in London during a period of three years corresponding with the date of our last returns, September 9th :

At corresponding dates with the week ending September 9, 1863.	1861.	1862.	1863.
Circulation, including bank post bills...	£20,555,788	£21,895,385	£21,646,811
Public deposits.....	4,868,009	8,768,329	6,997,402
Other deposits.....	12,357,680	13,809,643	12,909,484
Government securities.....	10,450,800	11,111,067	11,091,284
Other securities.....	17,372,545	19,296,460	18,781,259
Reserve of notes and coin.....	8,446,572	11,225,978	9,069,188
Coin and bullion.	13,649,402	17,611,538	15,345,488
Bank rate of discount.....	4 per cent.	2 p. cent.	4 per cent.
Average price of wheat... ..	58s. 1d.	58s. 4d.	44s. 2d.

Subjoined is our usual table with the returns brought down to September 9th, 1863 :

WEEKLY STATEMENT.

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 17...	£19,932,860	£8,507,144	£14,033,994	£30,539,363	£15,031,658	3 pr. ct.
" 24...	20,150,398	8,654,499	14,306,497	31,346,731	14,370,795	3 "
" 31...	20,616,435	8,338,717	15,469,254	32,488,020	14,956,421	3 "
Jan. 7...	20,927,993	8,782,808	14,393,308	32,620,233	14,685,555	3 "
" 14...	21,018,849	4,280,730	16,772,782	31,165,075	14,102,169	4 "
" 21...	20,893,991	4,965,798	14,993,225	30,227,086	13,855,849	4 "
" 28...	20,771,236	5,416,868	14,414,763	30,238,865	13,611,823	5 "
Feb. 4...	20,709,154	6,351,617	13,852,287	29,997,233	13,692,136	5 "
" 11...	20,444,454	6,952,808	13,596,356	30,288,406	14,070,651	5 "
" 18...	19,916,496	7,413,275	13,769,276	29,890,503	14,589,222	4 "
" 25...	19,715,828	7,901,658	13,367,153	29,709,079	14,614,096	4 "
Mar. 4...	20,322,055	8,036,003	13,368,086	30,880,805	14,504,517	4 "
" 11...	19,801,665	8,673,899	13,282,605	31,096,327	14,328,178	4 "

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
" 17...	20,012,331	9,843,499	13,008,088	31,482,170	14,547,812	4 "
" 24...	20,136,276	10,364,471	12,742,283	31,896,338	15,026,274	4 "
Apr. 1...	20,965,228	10,107,041	13,172,090	32,775,752	15,141,755	4 "
" 8...	21,279,339	6,714,109	14,829,832	30,946,784	14,968,835	4 "
" 15...	21,826,320	5,769,276	15,013,391	29,974,677	15,229,237	4 "
" 22...	21,413,226	6,816,413	14,789,897	30,182,538	15,387,151	3 "
" 29...	21,452,800	7,178,812	13,606,939	29,994,349	15,348,492	3 1/2 "
May 6...	21,376,999	7,241,789	13,122,087	29,718,602	15,141,760	3 "
" 13...	21,252,916	6,785,137	13,727,556	30,201,120	14,653,141	3 "
" 20...	21,268,815	7,610,278	13,983,654	31,484,815	14,529,451	4 "
" 27...	20,909,819	8,002,346	13,842,718	31,412,190	14,500,019	4 "
June 3...	21,009,392	8,779,387	13,896,450	32,389,044	14,425,553	4 "
" 10...	21,080,460	9,782,830	13,783,263	33,240,192	14,556,121	4 "
" 17...	20,655,473	9,882,135	13,904,506	32,750,958	14,850,156	4 "
" 24...	20,525,655	10,279,053	13,809,996	32,756,459	15,026,118	4 "
July 1...	21,738,756	10,356,373	16,274,739	36,490,515	15,080,271	4 "
" 8...	22,038,478	5,593,834	13,595,718	34,647,336	14,824,969	4 "
" 15...	22,194,996	4,918,458	16,331,914	32,052,521	14,749,876	4 "
" 22...	22,230,612	5,386,948	14,675,625	30,975,774	14,620,872	4 "
Aug. 5...	22,340,309	5,577,268	13,790,355	30,239,227	14,843,185	4 "
" 12...	21,937,198	5,754,863	13,578,358	29,657,833	15,040,819	4 "
" 19...	22,003,176	6,126,668	13,005,322	29,503,127	15,081,152	4 "
" 26...	21,699,696	6,713,801	12,806,568	29,322,757	15,309,384	4 "
Sept. 2...	21,920,722	6,818,182	13,261,512	30,180,384	15,494,219	4 "
" 9...	21,646,311	6,997,402	12,909,484	29,919,543	15,346,488	4 "

FINANCES OF THE CONFEDERATE STATES.

A LETTER FROM SECRETARY MEMMINGER.

TREASURY DEPARTMENT, C. S. A. }
 RICHMOND, Aug. 24, 1863. }

Hon. R. M. T. HUNTER, *Lloyds, Va.* :

SIR : In reply to your inquiries about the finances I send you a condensed statement of the issue of Treasury notes, and of the funding operations of the Treasury. You will see from this statement that the funding has been eminently successful ; and you will learn, also, that the amount of outstanding Treasury notes is still within the limits of the depreciation which I reported to Congress at the last session. My report then estimated the amount of circulation which the country could probably bear, at \$150,000,000.

The statement now made shows that the outstanding Treasury notes used as a general currency amount almost exactly to three times this amount. But when it is considered that a very large portion of these notes are across the Mississippi, it will be apparent that in the Atlantic States the estimate of three to one is rather over than under the mark. Two absorbents are now added, which will keep down the excess from new issues, namely, the taxes and the sale of cotton bonds, and when the tax in kind begins to contribute its portion to the support of the army, there is every reason to believe that the currency can be well sustained.

It is obvious, from this statement, that *the popular notion of estimating the value of the currency by a comparison with gold, is altogether fallacious* ; for, while the actual currency has only been increased three-fold, its proportion to gold rates at more than double that amount. The fact is, as you well know, that, situated as we are, gold is as much a commercial commodity as platina or tin, and its price is governed by the law of

demand and supply. As I have already shown, in the report referred to, wheat and corn afford much more reliable standards of value, when their price is not controlled by some local obstruction; and, by referring to these, it will be seen that the currency has maintained itself at the ratio which the outstanding issues indicate. You will perceive by the statement, that, uniting all the various appliances for funding, there has been funded in bonds, \$232,404,670; to which, according to estimate, there is yet to be added about \$70,000,000 more, which are yet in the hands of the Treasury officers to be funded, making, in all, about \$302,000,000; add to this \$15,442,000, deposited in the five per cent call loan, and we have an aggregate of nearly \$318,000,000 withdrawn from the currency.

The result is certainly very favorable, and shows that the measures adopted by Congress have been quite as successful as any of us had anticipated. It is somewhat remarkable that the Yankee Government should have adopted exactly the same measures for withdrawing their circulation, and according to a statement published in *Hunt's Merchants' Magazine*, for July, they have funded, in call loans and bonds, not more than \$200,000,000.

These figures show that there is no reason for distrust as to our currency; and *if, when Congress meets, you will address yourselves vigorously to measures which will all restrain its further increase, we shall be fully able to maintain our cause.* I would suggest to you two matters for consideration: One is, the export duty, which I proposed; and the other is, a renewal of the call loan for all Treasury notes, upon the same principle with the six per cent loan, which was reported at the last session.

It is worth experiment to try whether, by allowing a deposit in the Treasury, on interest, we may not be able to attract and retain there all the Treasury notes not actually required for circulation.

Very truly, yours,

C. G. MEMMINGER, *Secretary of the Treasury.*

STATEMENT OF OUTSTANDING TREASURY NOTES, AUG. 8, 1863.

Total of all kinds of General Currency Notes.....	\$523,114,406
Estimated on hand for cancellation.....	70,134,600
Total.....	\$452,979,896
And probable beyond the Mississippi.....	150,000,000
Balance.....	\$302,979,896

STATEMENT OF BONDS INTO WHICH CURRENCY HAS BEEN FUNDED, INCLUDING AVALIJS OF THE PRODUCE LOAN.

Total of 100 million loan.....	\$100,000,000
Funded since Feb. 20, 1863.....	124,318,370
Funded of notes, May 16, 1861.....	8,086,300
Total.....	\$232,404,670
On hand, to be funded by estimate.....	70,000,000
Total funded.....	\$302,404,670
Five per cent call, partly funded.....	15,442,000
Total.....	\$317,846,670

COMMERCIAL REGULATIONS.

CIRCULAR RELATING TO SMALL PARCELS OR PRESENTS NOT INTENDED FOR SALE.

THE following extract of a letter from the Secretary of the Treasury to the Secretary of State, dated August 19th, has been sent us for publication by the Treasury Department, and is directed to the collectors of customs for their guidance and government:

Treasury Department, August 19, 1863.

SIR: * * * I have determined that, in cases where small parcels shall be sent from Germany, Ireland, or elsewhere, of inherited objects of affection, or presents, *not intended for sale*, and not exceeding two hundred dollars in value, the triplicate invoice shall be dispensed with, inasmuch as such parcels so forwarded, are not to be regarded as goods, wares, or merchandise, in the contemplation of the 1st section of the Act of 3d March, 1863, "to prevent and punish frauds on the revenue;" and the production of an invoice will be regarded by the officers of the customs as impracticable within the meaning of the law; and such parcels shall be entered upon the payment of duty, if dutiable by law.

Of this decision collectors of customs will be duly advised.

With great respect,

S. P. CHASE, *Sec. of the Treasury.*

HON. WM. H. SEWARD, *Secretary of State.*

CIRCULAR TO COLLECTORS OF CUSTOMS AMENDING CIRCULAR OF MAY 23, 1862.

The Secretary of the Treasury has transmitted to collectors of customs, for their information, the following copy of his letter to the Secretary of State, dated August 22, 1863. In the same circular he directs the collectors of customs to insert near the end of the second paragraph of his circular of 23d May, 1862, after the word "control," these words, "with or by the consent, permission, or connivance of the owners, shippers, carriers, or consignees thereof;" and take the security required by you accordingly.

Treasury Department, August 22, 1863.

SIR: I have the honor to return to you the letter of Lord LYONS, covering the complaint of Messrs. TOOTAL, BROADHURST & LEE, transmitted with your letter of the 7th inst.

This correspondence was sent to the Collector at New York for his report, of which I send a copy.

The question at issue is the expediency and propriety of the Treasury instructions to Collector BARNEY of 23d May, 1862, of which I send you a copy.

It is difficult to perceive upon what grounds British merchants can claim, in American ports, any rights not conceded to American merchants. It may be, however, that some merchants, of every nation, may hesitate to give the bond required, on the supposition that the last clause of the second paragraph of the Treasury Circular may impose responsibility for

acts of parties not employed by them, and not in any way under their control.

Such is not the construction given to the requirement in this Department; and to remove all pretext of complaint, the Collector of New York, and other ports, will be instructed to require only substantial security that such goods, wares, and merchandise shall not be transported to any place under insurrectionary control, and shall not, in any way, be used to give aid or comfort to such insurgents, with or by the consent, permission, or connivance of the owners, shippers, carriers, or consignees thereof.

This will exonerate exporters, after the goods have arrived at the port of destination, and have been disposed of, in good faith, otherwise than in aid of the rebellion, by the consignees, from all responsibility for the acts of persons who do not derive their control over the goods directly from the exporter.

With great respect,

S. P. CHASE, *Sec. of the Treasury.*

HON. WM. H. SEWARD, *Sec. of State.*

CIRCULAR RELATIVE TO INVOICES PRIOR TO JULY 1, 1863.

The following copy of the letter of the Secretary of the Treasury to the Collector at New York, relative to invoices of goods, wares, and merchandise imported from foreign countries prior to July 1, 1863, is furnished collectors for their guidance and government:

Treasury Department, August 20, 1863.

SIR: I have received your report of the 12th inst. in reference to the importation from Brazil in the schooner "Jessie," and the question arises, whether the provisions of the Act of 3d March last requiring triplicate invoices are applicable to the merchandise exported from Brazil to the United States prior to the 2d of July, 1863.

The first section of the Act provides, that "from and after the first day of July, 1863, all invoices of goods, wares, and merchandise imported from any foreign country into the United States shall be made in triplicate," etc. It is further provided in the same section, "and no goods, wares, or merchandise imported into the United States" (as above stated) "shall be admitted to an entry unless the invoice presented shall conform in all respects to the requirements hereinbefore mentioned." It seems to me that the first section of the act requires the invoices to be made in the form therein prescribed, from and after the first day of July, 1863, and the invoices must of course be made in the foreign country of exportation previously to shipments. The subsequent provision to which you refer, though standing by itself, would bear the construction you give it, yet, taken in connection with the first section, must, it seems to me, be held to refer to the importation as the act of bringing merchandise from the foreign country into the United States, commencing in the foreign country and terminating in the United States; and not the mere bringing within the port of entry, as an importation under our laws is technically defined.

With great respect,

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

THE BOOK TRADE.

Heat Considered as a Mode of Motion. Being a Course of Twelve Lectures, delivered at the Royal Institution of Great Britain, &c. By JOHN TYNDALL, F. R. S. New York: D. APPLETON & Co. 1868.

This is a book that the unscientific as well as the scientific can read with pleasure, for it is not burdened with technicalities, although relating to the highest department of scholastic learning. Works of this kind, adapted to the popular comprehension, are much needed, and will always be sought after. The late Professor MITCHELL was very successful in his attempts to popularize Astronomy, and his lectures and writings are particularly valuable on that account. We wish that science could always be taught in simpler language. In this course of lectures, Prof. TYNDALL has experimentally demonstrated and reduced to a complete system the *dynamic* theory of heat, as opposed to the *material* theory, until recently accepted by all natural philosophers. It is sufficient for a general comprehension of this subject, to state that the former theory supposes heat to be simply a mode of motion among the ultimate particles of bodies, both requiring and generating a certain amount of mechanical force in its production; while the latter regards it as the effect of a subtle calorific fluid, pervading all matter by insinuating itself between the particles, exerting a force in direct antagonism to cohesive attraction, and constantly seeking an equilibrium. But there are facts and phenomena in nature which it has hitherto been difficult to reconcile with either of these theories; and it is the object of the author, in these lectures, to remove this difficulty so far as the dynamic theory is concerned. That he has entirely succeeded, we could hardly, with our limited knowledge of the subject, undertake to say; and yet the experiments he introduces, and which he has illustrated in this work by handsome plates, seem conclusive as far as they go. Certainly, this book is a very valuable contribution to the world's stock of information respecting the nature and laws of Heat, and, if the conclusions are correct, must exert a great influence on practical science, as applied to the useful arts.

Evidence as to Man's Place in Nature. By THOMAS H. HUXLEY, F. R. S., F. L. S., Professor of Natural History in the Jermyn Street School of Mines. New York: D. APPLETON & Co., 443 and 445 Broadway. 1863.

It takes a vast amount of labor to write a book. Those who have tried it know it; those who have not may rest with perfect security upon this statement, without personally experimenting. Prof. HUXLEY has written, rewritten, punctuated, paragraphed, corrected, copied, printed, and published a volume of 184 pages, all to prove that he and George Washington, Napoleon Bonaparte, Alfred the Great, and all the rest of us, are one with the brutes and descended from apes—Gibbons, gorillas, orang outangs, or Chimpanzees—he pleasantly allows us to take our choice.

The thorough absurdity and scientific unsoundness of the argument is too long and important a topic to be discussed here; but those who are interested in the subject may find it ably treated in the March, May, and July numbers of the American Journal

of Science. For our own part, we hardly wonder that a hard worked professor should look back to that far off time and with envy try to discover his happy ancestors undeveloped and irresponsible, having nothing to do but to swing by their tails and eat nuts all day.

To be sure, if the theory is proved to be true, things will be slightly reversed; ancestral tables will be more mortifying the further back they go, and the old stigma of an "obscure origin" will become an exalted compliment. We respect the unconquerable love of Race, even in monkeys, and cannot but think that one who seeks so diligently for his own ape-origin deserves to find it. Should the learned professor ever establish his own pedigree, without break or flaw, we expect that he will send over the ocean a chart of his genealogical tree, with a sturdy old gorilla at the base, stout Chimpanzees and ourangs for its lower branches, fine fantastic little baboons sprouting out on either side, and at the summit a crowning shoot bearing the illustrious initials of "T. H. H., F.R.S., F.L.S."

The Thirteenth Annual Report of the Philadelphia Board of Trade. Prepared for the Executive Council, by LOREN BLODGET, Secretary. Philadelphia: COLLINS, Printer, 705 Jayne Street. 1863.

These annual reports of our Boards of Trade throughout the country always have in them statistical and other information of great value, and the Philadelphia report for the last year shows especial care and labor in its preparation. We published last month in the *Merchants' Magazine* a very full and valuable account of the iron production of Pennsylvania for 1862, and through mistake credited it to a Philadelphia paper. The matter was really prepared by Mr. BLODGET, and will be found in his report. In fact, every trade and interest that conduces to the prosperity of Pennsylvania appears to have received more or less of his attention, making his yearly review very complete.

Sights A-Foot. By WILKIE COLLINS. Philadelphia. T. B. PETERSON.

As the title indicates, this is an account of sights seen by the author on a pedestrian tour. Perhaps no more interesting portion of England could have been chosen than the county of Cornwall for just such an expedition, and the author has improved all his advantages, and given his experience and descriptions in such a clever, entertaining, and agreeable way as to add greatly to the interest of the facts he narrates. The valuable description of Pilchard Fishing published in this number, will be recognized as coming from this source.

The American Publishers' Circular and Literary Gazette, published by GEORGE W. CHILDS, Philadelphia, has already become indispensable to the reading public, although it has only reached its tenth number. Full of information upon the very subjects about which we all desire to be informed, and yet, before this, never knew precisely where to find, it well deserves the favor with which it is being received. We wish it all manner of success.

D. APPLETON & Co. will publish, in October, the first number of a *New American Postal Guide*. It will contain the chief regulations of the Post-office, and a complete list of post-offices throughout the United States, with other information for the people. The work is to be published quarterly, and under the authority and sanction of the Postmaster-general,

TICKNOR & FIELDS have just issued *Our Old Home*—a series of English Sketches, by NATHANIEL HAWTHORNE.

NEW BOOKS RECEIVED, SOME OF WHICH WILL BE NOTICED HERE-AFTER.

Squire Trevellyn's Heir. By Mrs. HENRY WOOD, author of "Verner's Pride," "The Castle's Heir," "The Channings," &c., &c. Printed from the Manuscript and advance Proof-sheets, issued here in advance of the publication of the work in Europe. Philadelphia: T. B. PETERSON & BROTHERS.

War Pictures from the South. By B. ESTVAN, Colonel of Cavalry in the Confederate Army. New York: D. APPLETON & COMPANY, 443 and 445 Broadway. 1863.

Hospital Transports. A Memoir of the Embarkation of the Sick and Wounded from the Peninsula of Virginia in the Summer of 1862. Compiled and published at the request of the Sanitary Commission. Boston: TICKNOR & FIELDS. 1863.

The Historical Shaksperian Reader. Comprising the "Histories" or "Chronicle Plays" of Shakspeare, carefully expurgated and revised, with introductory and explanatory notes, expressly adapted to the use of Schools, Colleges, and the Family Reading Circle. By JOHN W. S. HOWE, author of the "Shaksperian Reader," &c., &c. New York: D. APPLETON & COMPANY. 1863.

Two Pictures, or What We Think of Ourselves and What the World Thinks of Us. By M. J. MOLNROSH, author of "Two Lives; or, To Seem and To Be," "Charms and Counter-charms," &c., &c. New York: D. APPLETON & COMPANY.

Shoulder-Straps. A novel of New York and the Army, in 1862. By HENRY MORFORD, Editor of the New York Atlas, and author of the successful Railroad book, "Spree and Splashes." Complete in two large volumes, of over five hundred pages, in paper covers. Price one dollar, or bound in one volume, cloth, for \$1 50. Philadelphia: T. B. PETERSON & BROTHERS, 306 Chestnut St.

A Practical Treatise on Business; or, How to Get, Save, Spend, Give, Lend, and Bequeath Money, with an Inquiry into the Chances of Success and Causes of Failure in Business. By EDWIN T. FREEDLEY. Also, Prize Essays, Statistics, miscellaneous and numerous Private Letters from successful and distinguished Men. Thirty-fifth thousand. Philadelphia: J. B. LIPPINCOTT & Co.

Opportunities for Industry and the Safe Investment of Capital, or a Thousand Chances to Make Money. By EDWIN T. FREEDLEY. Philadelphia: J. B. LIPPINCOTT & Co.

Money. An attempt to Analyze and Discuss the Subject of Money in its most important practical phases. D. APPLETON & Co. 1863.

Light. By HELEN MODET. D. APPLETON & Co. 1863.

Austin Elliot. By HENRY KINGSLEY, author of "Ravenshoe," etc. Boston: TICKNOR & FIELDS. 1863.

Weak Lungs and How to Make them Strong; or, Diseases of the Organs of the Chest, with their home treatment by the Movement Cure. By DIO LEWIS, M. D. Profusely illustrated. Boston: TICKNOR & FIELDS. 1863.

A Class-Book in Chemistry, in which the latest Facts and Principles of the Science are explained and applied to the Arts of Life and the Phenomena of Nature. A new edition, with over three hundred illustrations. By EDWARD L. YOUNG, M. D., author of the "Chemical Chart," "Chemical Atlas," etc. D. APPLETON & Co. 1863.

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AND
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THE
MERCHANTS' MAGAZINE
AND
COMMERCIAL REVIEW.

NOVEMBER, 1863.

LIABILITY OF THE GOVERNMENT OF GREAT BRITAIN FOR THE DEPREDATIONS OF REBEL PRIVATEERS ON THE COMMERCE OF THE UNITED STATES, CONSIDERED.

BY CHARLES P. KIRKLAND.

PECUNIARY interests, to the amount of millions of dollars, are dependent on this question ; the subject itself concerns the relations of two of the great powers of the world ; in it may possibly be involved the question of peace or war between those powers, and thereby, not improbably, the peace of every nation in Christendom, and, by consequence, the highest interests of humanity.

A matter which, by possibility, may result in consequences so momentous, should be approached with the utmost coolness and impartiality ; and its discussion should be marked by a conscientious regard to truth—truth alike as to facts alleged and the principles of law applicable to those facts and furnishing the rule of decision.

No citizen of the United States, who loves his country or his race, can desire to see a rupture of the amicable relations which have existed between his country and Great Britain for upwards of half a century. On the contrary, his ardent desire should and would be, that these relations should be perpetual ; he would regard it as his imperative duty to see to it that, if those relations are interrupted, the fault could not be attributed to his country, but should, in the judgment of enlightened men everywhere and by the Great Ruler of all, be charged upon Great Britain.

It is, undoubtedly, a task of difficulty for a right-minded American, by whatever party name he may be called, and whether he is among the supporters or the opponents of the present administration, and whatever his views may be of the origin and causes of the present rebellion, or of the mode in which the war for its suppression has been conducted—it is, I say, a difficult task for any American citizen, in view of all that has occurred in England since that war commenced, to enter on the investigation of the present question with the calmness so essential to the elucidation of truth at all times, and so indispensable on the present occasion. When he adverts to the undeniable fact that, without the recognition by the British Queen of the Rebel States as “ belligerents,” and the consequent proclama-

tion of "neutrality," and without the constant enormous supplies to them of munitions of war of every variety by the subjects of the British Crown, the war could by no physical possibility have continued one year after the firing of the first gun at Fort Sumter, on the 12th of April, 1861; and when he remembers that those acts of that Government and its subjects occurred in a time of profound peace and during the existence of a perfect treaty of amity and concord between them and us, and that they occurred, too, within a few months after the whole American people had exhibited to an admiring world the sublime and beautiful spectacle of an universal ovation to the future King of England*—it is, I repeat, a work of difficulty for him to free himself from the influence of all those facts in an endeavor, however sincere, to arrive at a correct conclusion in reference to the rights of his own country and the duties of Great Britain in the matter now under consideration. Still, that task can be performed, and it will be my earnest effort, in this investigation, to disregard all extraneous influences and to conduct it with that candor without which arguments and conclusions would be alike valueless.

Some grounds for the liability of the British Government on this occasion have been stated by high American authority, which, in my view, are untenable. These grounds will, preliminarily, be mentioned:

First: These privateers have been called "British pirates," and, as such, it is urged that the British Government is liable for their acts.

They cannot, on a just construction of the "Law of Nations," be, in any legal or "international" sense, denominated "pirates." It is conceded that they acted under commissions from the Rebel Confederacy: that Confederacy was in May, 1861, recognized as a "belligerent" by the British Government; it has practically been recognized by our own as a "belligerent" in the most emphatic and conclusive manner, by the *exchange of prisoners* and otherwise. But, mark! this recognition was *subsequent* to that of the British Government, and arose from the *absolute necessity* of the case—a necessity caused, in part or mainly, by *that very recognition* by Great Britain. If rebel soldiers, who have captured in battle the property of citizens of the United States, are not legally robbers, and if rebel soldiers, who have killed in battle citizens of the United States, are not legally murderers, then the crews of the rebel privateers are not "pirates," and the vessels themselves are not "piratical" vessels. I use the terms "pirates" and "piratical" in a *legal* sense, and solely in reference to the liability of the British Government for their acts; the character of these privateers in a practical and moral sense is a different matter, which will hereafter be alluded to. The definition of piracy, as found in text-writers, is, "the offence of depredating on the high seas without being authorized by any sovereign State." (Wheat. *Int. Law*, p. 246, Ed. 1863.) The definition is incomplete without this addition: "or by persons assuming to be a State and recognized by other States as belligerents."

So far as *this* question of technical, legal *piracy* is concerned, a commission from the Rebel Government is as available for all purposes as if that Government was a *recognized* Government. Had the Rebel States not been recognized as "belligerents," then, indeed, those privateers would have

* It is not to be forgotten that this magnificent tribute came, in fact, from the 24,000,000 of people of the States now engaged in the sacred work of preventing the destruction of the Republic. The only place visited by the Prince of Wales in the States now in rebellion, was Richmond, and there he met with the only insult he received on this side the Atlantic!

been in every sense "piratical vessels." But acting, as we have seen, under a commission issued by recognized "belligerents," that commission, from the very nature of the case, protects, so far as the question of "piracy" and "pirates" is concerned, all and each of the crew, whatever the nationality of any of them may be. Consequently, the mere fact that these privateers were manned, in whole or in part, by British subjects does not render them, in a legal sense, "British pirates," as they have been termed by an eminent American Senator. So far as the question of "piracy" is concerned, *in reference to the matter now under consideration*, those privateers are to be regarded, in all respects, as would be the privateers of any nation with whom we might be at war—Spain, France, Mexico.

It is to be observed, that the formal recognition by Great Britain and other nations, and the practical recognition by our own country, of the Rebel States as "belligerents," in no manner recognizes them as a nation, and has no effect whatever on that question.

Second: Nor are they "British pirates," or "pirates" in any sense, so far as the present question is concerned, because there is in *point of fact* no port to which their prizes can be taken for trial and adjudication. The independence of the Rebel States and their existence as a nation being nowhere recognized, they cannot take their prizes into any port of any other nation for any purpose; and yet an undoubted rule of National Law, as to vessels captured by privateers, is, that they must be taken into port for trial and adjudication. In this case, the difficulty arises from the fact, not that there are not nominally and theoretically ports, as, for instance, Wilmington and Mobile, to which the prizes might be taken, for in the recognition of the Rebel States as "belligerents" the existence of their ports for the purposes now mentioned is necessarily involved and implied, but the difficulty arises from the fact that those ports are *practically inaccessible*, in consequence of the blockade. Indeed, one case has occurred, in which a prize captured by a Rebel privateer was taken into the port of Charleston and condemned, though it is proper to add that that condemnation was held by an eminent Judge of one of the United States tribunals (SPRAGUE) to be wholly invalid. The Rebel privateers cannot, therefore, be deemed "pirates" or "piratical," because they do not in fact comply with the rule of the Law of Nations in the respect now mentioned, but, instead thereof, contemporaneously with the capture, burn and destroy the captured vessels and cargoes.

It will be kept in mind that in these observations I speak merely of the legal and technical character of these privateers, and in reference only to the question of the liability of Great Britain for their acts. It is not relevant, to advert now to the barbarism of those acts, nor to the inhumanity of any Government or of any individual subjects of any Government who should in any manner give aid or countenance to such revolting deeds of incendi- arism and plunder, so repulsive to the spirit of the age and so repugnant to every feeling of Christian civilization. These considerations are appropriate, if at all, in another connection.

Third: As the Government of Great Britain is not liable for the acts of these privateers, on the ground of their alleged piratical character, so it is not liable to us by reason of any municipal law of its own.

It has often been said, very loosely, that in the fitting out and dispatch of these vessels the British Legislative Act, commonly called "The Foreign Enlistment Act," has been clearly violated, and that for this reason that

Government is liable. That act has been made the subject of much comment, and I subjoin a verbatim copy of its material provisions, thus enabling all to read and understand it.* Doubtless, this act shows very clearly what the British Parliament deemed the duty of that nation toward other nations; it gives a most decided and important construction on their part to the "Law of Nations," as applicable to such cases; but, surely, it cannot be urged, as a ground for their liability, that they have failed to execute their own statutes, their own *merely municipal* law, when it is not alleged or pretended that any *treaty* exists requiring its execution. It never can be a just ground of complaint, by one nation against another, that the latter has omitted or refused to carry into effect its own laws. No nation can thus intermeddle with another, or thus interfere in what may well be denominated their "private affairs." I deem it quite unnecessary to dwell farther on a proposition so self evident; and I have adverted to this point only because I have seen, in some publications of respectability, the violation of this statute of Great Britain asserted as a ground of her liability for the acts of these privateers.

Fourth: Nor is she liable on the ground of national "comity." Whatever we might justly have expected of her on this ground, and how much soever her own good and comfort and ours may have been promoted by her exercise on this occasion of that "comity," which, in view of the relations existing between us, might so reasonably have been anticipated, yet

* Extract from the "Foreign Enlistment Act," 59 Geo. III., chap. 69.—"Sec. 7. And be it further enacted, that if any person within any part of the United Kingdom, or in any part of His Majesty's dominions beyond the seas, shall, without the leave and license of His Majesty, for that purpose first had and obtained, as aforesaid, equip, furnish, fit out or arm, or procure to be equipped, furnished, fitted out or armed, or shall knowingly aid, assist or be concerned in the equipping, furnishing, fitting out or arming of any ship or vessel, with intent or in order that such ship or vessel shall be employed in the service of any foreign prince, state or potentate, or of any foreign colony, province, or part of any province, or people, as a transport or store-ship, or with intent to cruise or commit hostilities against any prince, state or potentate, or against the subjects or citizens of any prince, state or potentate, or against the persons exercising or assuming to exercise the powers of government in any colony, province, or part of any province or country, or against the inhabitants of any foreign colony, province, or part of any province or country with whom His Majesty shall not then be at war; or shall within the United Kingdom or any of His Majesty's dominions, or in any settlement, colony, territory, island or place belonging or subject to His Majesty, issue or deliver any commission for any ship or vessel to the intent that such ship or vessel shall be employed as aforesaid, every such person so offending shall be deemed guilty of a misdemeanor, and shall, upon conviction thereof, upon any information or indictment, be punished by fine and imprisonment, or either of them, at the discretion of the Court in which such offender shall be convicted, and every such ship or vessel, with the tackle, apparel and furniture, together with all the materials, arms, ammunition and stores which may belong to or be on board of any such ship or vessel, shall be forfeited; and it shall be lawful for any officer of His Majesty's customs or excise, or officer of His Majesty's navy, who is by law empowered, to make seizures for any forfeiture incurred under any of the laws of customs or excise, or the laws of trade or navigation, to seize such ships and vessels as aforesaid, and in such places and such manner in which the officers of His Majesty's

a violation merely of "comity" can in no case furnish a legal and authorized ground for a demand of indemnity.

Fifth: Nor is there any ground of liability on the part of the British Government, or any right or power on our part to treat these privateers as pirates, or to require that Government so to treat and consider them, arising out of the Treaty of Paris of 1856, by which privateering, as between the parties to it, was rendered piratical. *We are not parties to that Treaty.*

The matters above stated have, at different times since the breaking out of the Rebellion, been put forth as grounds of liability on the part of Great Britain for the acts of these privateers. I have briefly mentioned them because, in my judgment, they cannot be sustained, and because this matter is fraught with consequences of too much solemnity to justify introducing into its discussion propositions of questionable accuracy.

This subject is, indeed, one of surpassing importance; it affects the pecuniary interests of our citizens to a vast amount (exceeding thirty millions of dollars as is supposed by some), for which, on legal principles, neither their own Government, nor the Rebel Government, nor the captors are liable. It involves, as before mentioned, to a greater or less extent, the amicable relations of the two countries; for if that Government is bound to make compensation and declines fulfilling its obligations, the question of peace or war *may* arise.

It is very clear that the Government of the United States could by no means be justified in demanding indemnity of that of Great Britain, except on grounds of fact and law *that could not be justly controverted*. In other words, our Government, before making demand on Great Britain, must be

customs or excise and the officers of His Majesty's navy are empowered respectively to make seizures under the laws of customs and excise or under the laws of trade and navigation, and that every such ship and vessel, with the tackle, apparel and furniture, together with all the materials, arms, ammunition and stores, which may belong to or be on board of such ship or vessel, may be prosecuted and condemned for any breach of the laws made for the protection of the revenues, customs and excise, or of the laws of trade and navigation.

"Sec. 8. And be it further enacted, that if any person in any part of the United Kingdom of Great Britain and Ireland, or of any part of His Majesty's dominions beyond the seas, without the leave and license of His Majesty first had and obtained, as aforesaid, shall, by adding to the number of guns of such vessel or by changing those on board for other guns, or by the addition of any equipment for war, increase or augment, or procure to be increased or augmented, or shall be knowingly concerned in increasing or augmenting the warlike force of any ship or vessel of war, or cruiser, or other armed vessel which, at the time of her arrival in any part of the United Kingdom or any of His Majesty's dominions, was ship of war, cruiser or armed vessel in the service of any foreign prince, state or potentate, or of any person or persons exercising or assuming to exercise any powers of government in or over any colony, province, or part of any province or people, belonging to the subjects of any such prince, state or potentate, or to the inhabitants of any colony, province, or part of any province or country, under the control of any person or persons so exercising or assuming to exercise the powers of government, every such person so offending shall be deemed guilty of a misdemeanor, and shall, upon being convicted thereof, upon any information or indictment, be punished by fine or imprisonment or either of them, at the discretion of the Court before which such offender shall be convicted."

"*clearly right.*" However much our Government may sympathize with its citizens in their calamities, and however keenly it may feel the unkindness of the Government and of individual subjects of Great Britain, and however much the moral sense of mankind may be shocked by the savage practices of these privateers, none of these considerations can be taken into view in determining the present question. Its decision can depend on no statute law of England or of this country; on no treaty to which we are not a party; on no express treaty on the subject between us and Great Britain, as there is none; on no liability of the Rebel Government to comply with the Law of Nations, in reference to the disposition of prizes; on no supposed or real violation of the "comity" due to us from Great Britain; on no considerations of sympathy or humanity: its determination must rest solely on the *Law of Nations*—on that law must the case stand or fall. That law prescribes the duties and the liabilities of neutral nations; as between us and the Rebel Government England has declared herself, and is to be taken to be a neutral, and as such she is bound by that law to the duties it prescribes.

I. The first step is to ascertain and state the *facts*; and as to these there seems to be no room for dispute. For all the purposes of settling the great principle here involved, it is sufficient to present the facts in a single case, and then determine the principles applicable to, and the rule governing, that case: all others similarly situated would be subject to the same rule.

The case I select for the discussion and determination of the question, is that of the *Alabama*. The facts in that are undeniable and undenied. They are in substance as follows:

(1.) This vessel, originally the gunboat "290" (and so called from the number of British merchants and other British subjects who contributed to her fitting out!!), was being fitted out as a *vessel of war*, in Liverpool, in June, 1862.

(2.) Mr. ADAMS, the Minister of the United States, on the 22d of that month addressed a note to Earl RUSSELL, expressly calling the attention of the Government to the fact; and in the same note stated that the *Oreto*, which was fitted out at the same port, and to which Earl RUSSELL's attention had been called on the 15th of February, 1862, had sailed from Liverpool on the 22d of March, and had gone directly to Nassau and was there completing her armament, provisions and crew, *for the purpose of depredating on the commerce of the United States, notwithstanding it had been averred by the British officials at Liverpool that her destination was Palermo, and that Earl RUSSELL had so stated to Mr. ADAMS.*

To show how explicit, direct, and emphatic this note of Mr. ADAMS' was, I give an extract from it.*

* "This vessel has been built and launched from the dock-yard of persons, one of whom is now sitting as a member of the House of Commons, and is fitting out for the especial and manifest purpose of carrying on hostilities at sea. It is about to be commanded by one of the insurgent agents, *the same who sailed in the Oreto*. The parties engaged in the enterprise are persons well known at Liverpool to be agents and officers of the insurgents in the United States, the nature and extent of whose labors are well explained in the copy of an intercepted letter which I received from my Government, and had the honor to place in your Lordship's hands a few days ago."—(Diplom. Cor., 128.)

(3.) Earl RUSSELL, on the 4th day of July, 1862, informed Mr. ADAMS that there was no attempt on the part of the builders to disguise the fact that the vessel (the "290") was *intended as a vessel of war*; that they did not deny that she had been built for a *foreign Government*; but that they *did not feel disposed to reply to any questions respecting her destination* after she left Liverpool.

(4.) On the 22d of July, depositions* were sent to Earl RUSSELL, accompanied by the opinion of Mr. COLLIER, a reputable English lawyer, that it was the duty of the Government, on that evidence, to detain the vessel, and that the Government of the United States would have good grounds of complaint if she were allowed to escape.

(5.) On the 29th of July, the vessel sailed, *without register or clearance*.

(6.) On the 31st of July, Earl RUSSELL informed Mr. ADAMS that a delay in determining on the case of the "290" had been caused by the sudden sickness of the Queen's Advocate, incapacitating him for business!!! that this had rendered it necessary to call in other parties, whose opinions had at last been given for the *detention* of the vessel; but before the order arrived at Liverpool the vessel was gone.

(7.) On the 16th of October, 1862, Earl RUSSELL received further evidence from Mr. ADAMS of the character of this vessel and the business for which she was intended. In reply to that information, and the accompanying complaints of Mr. ADAMS, Earl RUSSELL places his justification simply on the ground that "*the foreign enlistment act can be evaded by very subtle contrivances, but that Her Majesty cannot, on that account, go beyond the letter of the existing laws.*"

(8.) Having left Liverpool on the 29th of July, the vessel sailed to Terceira, in the Azores, and there anchored. She there received from the British barque Agrippina, which had sailed from the Thames, the greater portion of her guns and stores; she soon after took on board, from the British steamer, Bahama, which had cleared from Liverpool on the 12th of August, the Rebel Captain SEMMES, fifty more men, and additional stores. SEMMES hoisted the Rebel flag, named the vessel the Alabama, and with a crew, the greater part of which belonged to the English Naval Reserve, soon afterwards set out on his unhallowed mission.

(9.) All these facts were fully known to the British Government, almost contemporaneously with their occurrence.

(10.) Since her departure from Terceira, the Alabama has often cruised for a week at a time, in the aggregate for months, in the British West Indian waters; she has often been in British West Indian ports; she was for six days at one time in the port of Kingston, Jamaica. There has not elapsed any one period of forty-eight hours, since her departure from Ter-

* To show the character of the testimony furnished to Earl RUSSELL, I refer to one of the depositions, that of WILLIAM PASSMORE, who, in substance, swore that "he joined the vessel in LAIRD & Co.'s ship-yard at Birkenhead, and remained on her several days; that there came on board about thirty old men-of-war's men, among whom it was well known that she was going out as a privateer for the Confederate Government, to act against the United States under a commission from JEFFERSON DAVIS; that he had been shipped by Capt. BUTCHER to sail on the "290," with the express understanding that she was going to fight for the Government of 'the Confederate States."

ceira, when it was not in the power of the British Government to seize and take possession of her. No step for this purpose has ever been taken.

(11.) Within a few days after her departure from Terceira, she commenced her depredations on our commerce, and during the thirteen months of her career as a privateer, she has destroyed numerous and valuable vessels, with their cargoes, belonging to citizens of the United States, and she is still engaged in her infamous work; all which facts are and were well known to the Government of Great Britain and to all the world.

The facts above stated, except those of public notoriety, have been gathered from official documents.

II. It has already been stated, that the British Government, if liable at all for the losses caused by these depredations, is thus liable only under the *Law of Nations*, and under that head of that law which prescribes the duties and liabilities of neutrals.

The Law of Nations is defined by an eminent writer on that subject* to be, "the law which determines the rights and regulates the intercourse of independent States, in peace and in war; is founded on custom and implied contract; has sprung up from mutual consent, and is the written law which the consent of nations has established." By this all civilized nations are bound. This law is found in the works of various publicists of admitted authority, and in the decisions of high tribunals here and elsewhere. I shall refer to none that are not universally accredited. The duty of neutral nations, as between belligerents in time of war, is very clearly stated.

WHEATON,† in his "Elements of International Law," (page 697, Ed. of 1863), thus states the law:

"The neutral is not at liberty to favor one party, to the detriment of the other; it is his duty to be every way careful to do equal and exact justice to both parties.

PHILLIMORE (Commentaries on International Law, vol. 3, p. 181,) says, "The relation of neutrality consists in two principal things, (1.) entire abstinence from any participation in the war; (2.) impartiality of conduct toward both belligerents. It is for the neutral perpetually to recollect, and practically to carry out, the maxim 'that he is an enemy who does *that which pleases the enemy*.'"

KENT (Commentaries, vol. 1, p. 113, 5th Ed.), whose authority is equally respected in Europe and America, says: "A neutral is not to favor one belligerent at the expense of the other."

It would be a work of supererogation to accumulate authorities on this point. All writers on the Law of Nations concur in relation to the duties of neutrals. The rule, as stated above, is found in nearly the same words in GROTIUS, Book 3, ch. 27; BYRNENHOOK, Book 1, ch. 9; VATTTEL, Book 3, ch. 7; AZUNI, Part II., ch. 1, art. 3. The rule, as thus laid down, will not be questioned; its spirit and substance being, that the neutral shall not do, nor permit any within his jurisdiction to do, any act in behalf of one belligerent that would manifestly and naturally tend to the detriment

* 1. WILDMAN, Int. Law, p. 1.

† The British-Solicitor General (Mr. LAYARD), in a speech in the House of Commons on the 22d of February, 1862, said that "WHEATON, as everybody knows, has written one of the most valuable treatises on the subject of international law that was ever composed."

of the other, or any act which would enable one to do an injury to the other which he could not do were it not for the act of the neutral; the conduct of the neutral must be, not only in form but in reality and effect, *absolutely impartial*. The rule is, not that the neutral may do acts favoring the one, and, by way of compensation, do similar acts in favor of the other, which he (the neutral) may allege are of equal benefit to the other, for of this he cannot judge and is not authorized to judge. (Vattel, Book 3, ch. 7, 5, 10, 4.) He must not do any act of favor to either which may be the means of injuring the other; and certainly he cannot do an act of favor to the one and then, on the allegation of equalization, do a similar act to the other, *when* the relative circumstances and condition of the two belligerents are such that by no possibility can the act of intended equalization be of equal benefit to the latter, or put it in his power to do an equal detriment to the former.

Such being the rule, do the facts (as above set forth,) in the case of the Alabama, show its violation by Great Britain?

III. No one will deny that the fitting out of the Alabama, for the purposes for which she was intended and to which she was immediately applied, was a direct and palpable act of aid and benefit to the Rebel Government and of equally direct and palpable detriment to the Government and people of the United States. It was a manifest and clear departure from that "impartiality," as between the belligerents, which "neutral" Great Britain was "bound to adopt;" it was the doing that "which was well pleasing to the enemy;" it was "favoring one party to the detriment of the other." This proposition would seem to be self-evident. But it is pertinent to call to mind an undisputed fact, which gives an unwonted degree of aggravation to this "unneutral" act. Had the Rebel Government been "recognized" as one of the nations of the earth; had it possessed even a single accessible port; had they had a national marine, even if quite insignificant; had they possessed the means and appliances for building, equipping, supplying, and manning ships, the acts now complained of would have been comparatively innocuous, and, though legally a breach of neutrality, they would practically have been of little detriment. But what was the real state of things in the Rebel States? They were not "recognized" as a nation by a single government on earth; they had no port that was not so blockaded as to render it, to say the least, useless; they had no navy, not even a single vessel of war or even of commerce; they had no navy-yards for the construction of such vessels; they had no armaments for them, and no place for their manufacture; they had no sailors; they had no national credit, for they had no national name or standing: in fine, they were in a mere "embryo condition," and wholly and absolutely powerless for any offensive, or even defensive, purposes on the ocean—they were utterly destitute of all means or ability for ocean warfare. This is an unexaggerated statement of the real state of things at the time in question; indeed, the total feebleness and helplessness of the Rebels, in the respects just mentioned, cannot be too strongly stated. It was in this state of things and under these circumstances, that they were supplied in *England and from English ports* with all the means and appliances, ships, armaments, men, stores, for commencing and carrying on a *war on the ocean* against the United States and her citizens, and for performing deeds of practical piracy theretofore unknown in Christendom and paralleled only by the acts of the Barbary States in their day of lawless license. This was not *adding* to means already existing—it was *creating*

the means *ab origine* ; it was literally bringing into existence a power that before did not exist.

It is not pretended that any vessel of war was ever fitted out in, and dispatched from, England for the benefit of the United States ; but had such been the fact, it is already seen that by the Law of Nations no such act could take from the acts above stated, in relation to the Alabama, their unneutral character. Had such assistance been offered to the United States, and did international law allow a "neutral" to aid one belligerent and then compensate for it by equivalent aid to the other, no such equivalent could by possibility exist in this case ; any such aid would, at the most, have been but an inappreciable addition to our existing means : thus, even then, there would have been a most palpable and injurious violation of neutral duty. The only possible argument which Great Britain, in that event, could have urged would have been, that by the *acceptance* of such aid, unimportant as it may have been, the United States must be deemed to have *waived* their right to insist on indemnity for such violation by Great Britain. The circumstances (had such an event occurred) may or may not have been such as to render that argument available.

I have thus briefly adverted to this particular matter, simply because it has been repeatedly asserted in England that as much aid has been afforded to the United States as to the Rebels. The fallacy of such an assertion, as an excuse or justification for England, is manifest.

IV. If, for the moment, it should be conceded that Great Britain could not be liable for the fitting out and dispatch of this privateer, unless her Government had, preliminarily to her departure, knowledge or reasonable notice of her objects and intentions, what unprejudiced mind can resist the conclusion, that the facts above stated show full and adequate notice, if not actual knowledge ? It is to be observed, that on this great national question, to be judged of as it is, by the rules and principles of that overshadowing Law, which governs not one nation but all, and which is above all *municipal* law, the technical and narrow rules applicable to local, territorial law, have no place. As was truly and emphatically said by the Supreme Court of the United States, in its judgment in a case involving great national questions, (The *Hiawatha*, March, 1863.) "the objections taken here might have had weight on the trial of an indictment in a criminal case ; but precedents from such sources cannot be received as authoritative in a tribunal administering *public and national law*."

Without repeating the evidence presented to Earl Russell in the case of the Alabama, as stated above, it is with entire confidence submitted, that it was superabundant to justify and require her arrest and detention, on the ground of full notice and knowledge on his part. Had the case been in a criminal court in England or America, any impartial Grand Jury in either country could not, on that evidence, have hesitated to find an indictment, so far as the point just mentioned is concerned.

V. It is not a little surprising that Earl Russell, in a letter to Mr. Adams, of October 16th, 1862, assumes, and the Solicitor-General, in the House of Commons, on the 22d day of February, 1862, asserts, that the only law which enables the British Government to interfere in such cases is "The Foreign Enlistment Act." If, indeed, the acts, or the evidently intended acts, in the case of the Alabama, were a violation of the *Law of Nations*, and were to be judged of by that law, then it may truly be said that there is and can be no nation in Christendom in whose Government

does not *inhere* the power and the duty, irrespective of its municipal law, of preventing and punishing such violation. Such power exists *ex necessitate rei* and springs from, and is involved in, the great law of nations, as of individuals the law of *self-preservation*. The distinguished statesman and the eminent lawyer, who uttered the sentiment just mentioned, must have done so without deliberation; for it is impossible to believe that the peace of Great Britain and the highest interests of humanity can be made to depend on the question, whether means to provide against or prevent a violation by her of the *Law of Nations* depends on the existence or non-existence of a statute of the realm applicable to the case! As on the one hand, we have no right to complain of the non-execution of a municipal law of that country, so, on the other, she cannot excuse herself for a violation of her duties, as a member of the family of nations, on the ground that she has no law on her statute-book affording the appropriate remedy. The only practical benefit of the statute referred to, in regard to the present question, is, as already stated, that it is an emphatic assertion by her legislature of the duties devolved on her by the *Law of Nations*. But even if our rights or her liabilities depended on that statute, it would be an easy task to show that the case of the Alabama came within its spirit and intent, if not within its very letter; but a discussion of that proposition would be idle, for the reasons just given. BURLAMAQUI, in his *Treatise on Natural Law*, states the rule truly when he says, "It is *presumed* that a Sovereign knows what his subjects openly commit, and his *power of hindering* the evil is likewise *always presumed*."

VI. Hypothetical cases do not always subserve a useful purpose in argument, but in this instance a case may be supposed which must, it would seem, carry conviction to every British mind.

The present rebellion against the Government of the United States is an effort to dismember the Republic of the United States; a similar rebellion in Ireland against the Government of Great Britain would be an effort to dismember the Empire of Great Britain: thus, the object (and the end if successful) of the two rebellions would be identical. The relative position of the Rebel States to the United States and of Ireland to Great Britain are the same, each is part and parcel of the nation to which it belongs; the position of those States and of Ireland is, in every "material" respect, the same; each of them, compared with the nation of which it is a part, is equally inferior in population, naval and military power, armaments, and pecuniary resources; in the incipient period of her supposed rebellion, Ireland would, at the most, be "recognized" only as a "belligerent," and thus they would each be alike in having no "national character." Ireland would have no navy, and no available ports (as doubtless they would be blockaded as are the rebel ports), and so, in these respects, again there would be a precise similarity; in the case of the Irish rebellion, we should have the same right to acknowledge her as a "belligerent," and to proclaim our "neutrality," as Great Britain had in reference to the Rebel States. Suppose, then, this Irish rebellion, under circumstances relatively to Great Britain so precisely similar to those of the Rebel States relatively to the United States, and then suppose that privateers were fitted out and despatched from the port of New York under commission from the Irish Rebel Government, manned, provisioned, and armed in New York—suppose that those Irish rebel privateers should burn and destroy hundreds of British vessels and their cargoes to the value of millions of pounds sterling, what

would all England, from the queen on the throne to the pauper in the work-house, with one voice exclaim! We need not say. We know that our language can hardly furnish words in which the indignation (and just it would be,) of that people would, in such case be expressed. Yet the *existing* case and the *supposed* case admit not of the slightest essential distinction. Who can doubt that, in the supposed case, Great Britain would months ago have resorted to reprisals, if not to war?

VII. In a matter of this momentous import we can have no better guide than the repeated and deliberate precedents of the two Governments. To begin with that of the United States.

That there should have been, as there was, in this country in the latter part of the last century, immediately after the close of the War of Independence, an almost universal feeling of grateful affection for France, was perfectly natural. Notwithstanding the state of the public mind, our duties as neutrals, (as between France and Great Britain,) *springing entirely from the Law of Nations and without any statute* on our part, were performed (it may well be said, under the circumstances,) in a spirit of lofty devotion to law and duty. In 1793, President WASHINGTON instructed the proper officers to prosecute all persons who should violate the Law of Nations in respect to France and England.* Immediately after this the British minister expressed his *belief* that a vessel—the “Little Sarah”—was fitting out as a French privateer. Proceedings were immediately taken for her seizure, and her armament being found to be such as *might* be used for a privateer, *she was prevented from sailing*. Similar proceedings, *on similar grounds*, were taken against the “Republican.” She was seized and detained, and, with the persons engaged in fitting her out, was delivered over to the proper tribunals.†

Numerous other cases of a similar kind occurred about that period. Mr. CANNING, in a speech in Parliament in 1819, commended in the highest terms the conduct of our country at a time when universal popular sentiment rendered it so difficult to observe the obligations of neutrality.‡

At the time of the war between Spain and her revolted colonies in South America, great as naturally was our sympathy with the latter, numerous vessels which were fitted out in New Orleans and its vicinity, with the *suspected* object of acting as privateers against Spain, were *seized and detained*, and the parties prosecuted and punished, as will be seen by reference to the history of that period, in that valuable work “*Niles' Register*.”

During the war between the German Confederation and Denmark (1848), a war steamer was purchased in New York by the former; her sailing was objected to by the latter on account of that war; *she was detained* for some time, and was *not permitted to sail* till a satisfactory bond was given that she should not be used against Denmark. This case is fully stated in the Congressional Documents of the 1st session of thirty-first Congress.

In the Canadian rebellion of 1838, it is a matter of public history that *preventive* measures of the most efficient kind were adopted by our Government to maintain, in spirit and practical effect, our relations of amity with Great Britain. A reference to particular instances would unnecessarily extend this paper; the official records of both countries abound in proofs on the subject. That rebellion was regarded by Great Britain very much as *this* is by the United States.

* American State Papers. Vol. 1, p. 140.

† Works JEFFERSON. Vol. 3, p. 386.

‡ 4 CANNING's Speeches, p. 152.

During the Crimean war in 1855, the "Maury," a vessel belonging to a citizen of the United States, was loading in the port of New York; on an affidavit of a very *imperfect character*, furnished by the British consul on his allegation of *suspicion*, that she was to be used as a Russian privateer, she was *seized and detained*, and her cargo carefully examined. She was released, the consul being fully satisfied of the groundlessness of his suspicions, and he publicly apologised for his conduct. This vessel was being fitted out by a merchant (Mr. Low,) of unquestioned standing and integrity, and whose antecedents were without reproach, whereas, the Alabama was being prepared for sea by parties who had *just before* been guilty of gross falsehood and fraud on the British Government in dispatching the *Orato*.

In every one of the above instances this Government did precisely what was requested of the British Government by our minister in the case of the Alabama—namely, it applied the *requisite preventive* means; in no case was the testimony more persuasive than that presented in the case of the Alabama.

Great Britain furnishes her share of precedents.

It is a well known historical fact, that the aid furnished by the subjects of France (not by its Government) to the United States during the war of the Revolution, in the way of fitting out and dispatching vessels and the like, was the ground of a declaration of war by Great Britain against France. The cases are in all respects precisely parallel, in view of the light in which *the colonies were regarded by Great Britain*. That was aid furnished to "revolted colonies"—this is aid furnished to "revolted States;" those "colonies" were weak and powerless on the ocean—these "States" are equally so; *that aid was vital to the "colonies"*—*this* is so to the "rebel States." It was the violation of her duties as a "neutral" of which Great Britain complained (and justly) of France; it is the violation of her duties as a neutral of which we now (and equally justly) complain of Great Britain. There is indeed a difference between the ends sought to be attained in the two cases. The "colonies" were struggling to *erect* a beautiful temple of civil liberty—the "rebel States" are striving to *destroy* that very temple.

In 1828, Donna MARIA was the reconized sovereign of Portugal. Don MIGUEL, her uncle, headed a rebellion against the Government and caused himself to be declared king, and succeeded in getting possession of a considerable part of the kingdom. Application was made to the British Government to aid the queen—her uncle being a usurper, as was alleged. That Government refused to interfere, as it was a *domestic quarrel* in Portugal. Terceira, one of the Azores and part of the dominions of Portugal, was then in possession of the queen. Some Portuguese subjects came to England; it was suspected that they came to fit out an expedition against Don MIGUEL. The Government, deeming that this would be a breach of neutrality, forbade it, and the representative of the queen was notified that no such enterprise could be carried on in England. He stated that the vessels, which were fitting out, were going to Brazil. Four vessels, with several hundred unarmed men on board, sailed from the port of Plymouth. The Government suspected that the vessels were going to Terceira and sent a fleet to watch them and prevent a landing. The four vessels arrived off Terceira; they were fired at by the English commodore and *stopped*. This matter came up in Parliament, and the Government *was sustained* on the

ground that the armament was fitted out in a British port; that having been equipped under the pretence of going to Brazil it was not stopped before sailing; and that the Government was therefore bound by the duty of neutrality to prevent by force an armament so equipped from disembarking even in the dominions of the Portuguese queen. This case is fully stated in the third volume of PHILLIMORE.

Similar instances on the part of the United States and of Great Britain might be adduced, but the above are sufficient for the present purpose.

VIII. It has already been shown, satisfactorily, I trust, that the British Government, prior to the sailing of the *Alabama*, had adequate information of her character and of the object to which she was destined—information on which any prudent man would have acted in the ordinary affairs of life. But, even if the British Government had not such nor any notice, still, according to the well established rules of national law, that Government is liable to answer for the unlawful and anti neutral acts of her subjects and of all within her jurisdiction.

From the very necessity of the case, every nation must be presumed to have the power to regulate and control the conduct of all within its territorial jurisdiction, and to prevent a violation of its obligations as a neutral and of any of its obligations as a member of the family of nations. Without such rule there would be no safety in international intercourse. Accordingly the Law of Nations declares that a nation is *responsible* for acts of hostility on the part of its subjects towards another nation whose relations with the former are those of peace and amity; and this, necessarily irrespective of the question, whether the nation of which the offending parties are subjects had or had not knowledge of the subjects' acts at the time of their occurrence. All accredited writers on international law, English, American, and Continental, declare this rule, as will be seen by reference to PHILLIMORE, KENT, GROTIUS, PUFFENDORF, WHEATON, and VATTTEL, in their chapters on the duties of neutrals. It follows that, if in truth the fitting out of the *Alabama* and her departure from an English port were a violation of British neutrality, that Government is *liable* for the consequences of the unneutral act, whether done with or without her knowledge.

IX. If that Government had not notice and knowledge of the facts prior to the departure of the *Alabama* from the English port on her hostile mission, and if that ignorance was *then* an excuse, a brief period only elapsed before Great Britain and all the world had conclusive evidence of her character, of the *intention* in fitting her out, of the object to which she was destined, and of the cruel and barbarous manner in which that object was being carried out. In a very short space of time after her departure from Liverpool, the capture and contemporaneous burning and destruction by her of numerous American vessels and their cargoes was a fact of world-wide notoriety. The horrors of those scenes of vandalism need not be described. In the investigation of so grave a matter as the present, no appeal should be made to imagination or to passion.

Assuming, then, even the absence of all knowledge on the part of the British Government, and of all notice prior to the departure of the vessel from an English port, and assuming—what is not denied—her notorious acts so soon afterwards, it was the clear duty of Great Britain to dispatch a vessel or vessels of war to seize the *Alabama* and arrest her career. The possession of adequate means for that purpose by that Government will not be disputed, and the abundant opportunity to render those means available

is equally undeniable. In a very few days that Government could have terminated the inhuman work of that vessel, and saved millions of the property of citizens of the United States from the torch,

That her *opportunities* were manifold, *even in her own ports*, will not be disputed, for to those very ports this privateer resorted, and, instead of being seized and detained, was received with favor and aided in many ways. The very fact just mentioned of her friendly reception in the colonial ports of Great Britain, after her repeated and universally known acts of destruction of the property of our citizens, was in itself a flagrant violation of British neutrality. Her resort to and reception in those ports were in every legal and practical sense identical with a resort to and similar reception at the port of Plymouth or of Liverpool; and, under the circumstances mentioned, it would require but a superficial acquaintance with national law to determine that such a reception would be a grossly anti-neutral act.

But to return to the question of the course which Great Britain was bound by the Law of Nations to have adopted, after full knowledge of the course pursued by the Alabama, immediately subsequently to her departure for Liverpool.

The law on this subject was fully discussed, and the duty of Great Britain clearly shown, in the argument in Parliament (as reported in the British Annual Register for 1829.) in the Portuguese (Terceira) case above mentioned. It was then deliberately held to be the duty of that Government, under the law of nations to take the steps it then took. Such was then, as it was in the present case, the manifest duty of Great Britain; as a member of the family of nations. The two cases differ in no essential particular. Such indeed must from the necessity and nature of the case be the rule of the Law of Nations, for otherwise the duty of the neutral might be wholly unperformed. Her duty in this case, was to *prevent* the departure of the vessel from her ports. She omitted to perform that duty, and thus flagrantly violated neutrality. It was then, on every principle of justice, of reason and common sense as well as of national law, her duty to make all amends in her power for that violation. The effective and easy mode of performing that duty and of exercising a real and an honest neutrality, was "fresh pursuit" and capture of the offender. The "Foreign Enlistment Act," indeed, did not apply to this aspect of the case; but her duties and responsibilities arise from the "higher law." So she insisted, and so we admitted, in the well known case of *McLeod*, during the Canadian rebellion. The difficulty arose in that case from the complex character of our Government—the conflicting jurisdictional claims of a "State" and of the "United States," and the inability, under our constitution, of the "United States" judicial tribunals to interfere *in limine* and provisionally with those of a "State." This condition of things led to a long and exciting correspondence between the two Governments; but in the course of it, it was on both sides conceded, that inasmuch as the "United States"—not a single "State"—was alone known among nations, on them rested all the responsibility of conducting foreign affairs, and that their want of power, arising from the cause just stated, in no manner justified or excused an act done in or by a "State" or its citizens in violation of the Law of Nations; that any nation recognized by others as a nation must be held to possess power requisite to punish infringements on the rights of other nations. The whole history of this case will be found in the 5th volume of *HILL's Reports of Cases in the Supreme Court of New York*, and also in the 2d,

5th, 6th, and 7th volumes of Mr. WEBSTER's Works. It is scarcely necessary to accumulate authorities in support of this proposition. The common reason of mankind declares, as do all writers on the subject, that such is and must be the rule of international law. This brief repetition of this principle, which I have already once stated, may be excused on the ground of the extraordinary position taken, as above mentioned, by Earl RUSSEL and Solicitor-General LAYARD.

X. We must be careful not to confound the present case with that of the subjects or citizens of a neutral state holding ordinary commercial intercourse with one of the belligerents and dealing commercially with that belligerent. It is on all hands admitted, that the subject of a neutral may have transactions, *on their face and in intent commercial*, with a belligerent; he may buy and sell without a national violation of neutrality, but at the *risk* of the capture and consequent loss of his property, as many British subjects have learned at the expense of their financial ruin; but never, in the history of Great Britain or of the United States, or of any other civilized people for the last one hundred years, has it been doubted that the fitting out and dispatch, from the ports of a neutral nation, of vessels of war *intended* to commit acts of hostility on one of the belligerents, was a palpable violation of the duty of the neutral and a clear infraction of the Law of Nations. The doctrine above stated is fully sustained by the judgment of the Supreme Court of the United States, in the case of *The United States v. Quincy*, 6 Peters' Reports, 445, and in the case of the *Gran Para*, 7 Wheaton Reports, 471. The decisions of that court on questions of national law, especially in the time of MARSHALL, are of high authority every where. Indeed, these cases only re-affirm the law as stated by all writers on the subject. It could, of course, make no difference in principle whether the vessel was dispatched, after being partly or *wholly fitted out*, from a port of a neutral, or whether it was dispatched from one port and fitted out in whole or in part in another port of the same neutral. The latter has been the actual fact in reference to some, if not all, the rebel privateers sent from England. Nor would the rule be different if the vessel intended for hostile purposes was dispatched from the neutral port and then fitted out partly or wholly even in the port of *another* nation. Most emphatically would the rule apply in the present case, where the party aided was utterly weak and helpless as a naval power, and could have committed no act of hostility whatever on the ocean, except through the aid thus furnished by the neutral.

The case of the *Alexandria* was tried a few weeks since in an English court. The judge who presided on the trial instructed the jury "that a neutral had a right to supply ships to one of the belligerents," and after that instruction, added, by way of *salvo*, "that if the jury thought the object was to furnish, fit out, equip, and arm the vessel at Liverpool, that was a different matter; but if they thought the object was to build a ship in obedience to an order in compliance with a contract, leaving those who bought it to use it as *they saw fit*, it was not, in his judgment, a breach of the Foreign Enlistment Act, or of international law." In other words, if the jury were satisfied that it was built for a rebel owner and with the intent to use it as a rebel privateer, it was no violation of any law—that is, it was not such a violation if he (the rebel or his agent) had made a contract for the building and it was built pursuant to his order; that then

it could be lawfully delivered to him, though the whole world knew that "the use he saw fit to put it to" was that of a privateer to depredate on the commerce of a friendly nation. It is no wonder that under such an instruction, a Liverpool jury found "in favor of the ship and her builders."

That case, on the evidence, presented a clear violation of the Law of Nations, as shown by the authorities and precedents above mentioned, and it is referred to chiefly for the purpose of stating another rule of the Law of Nations, namely, that it is no protection or justification to any nation, when its violation of neutral duties is complained of, that its own tribunals have decided in its favor. No proposition can be clearer than that the Law of Nations is superior to and overrides all municipal law, whether in the form of statutes or of the judgments of courts.

XI. Many more references to elementary writers and to adjudged cases on the Law of Nations might be made; but sufficient authority, it is believed, has already been adduced and its applicability sufficiently shown, to satisfy intelligent and impartial minds that Great Britain, in the case of the *Alabama*, has violated her obligations of neutrality to the United States. This point being established, it will not be disputed that the Law of Nations imposes on her the consequent duty of reparation. That reparation can be made only by the payment of the pecuniary losses sustained by our citizens in consequence of that violation of neutrality.

It is the duty of the Government of the United States to its injured citizens to present to the Government of Great Britain their claims duly authenticated. Much, if not most, of the evidence to establish the circumstances under which the *Alabama* was dispatched from England (and thus to show in that act the alleged violation of neutrality,) has already been presented to the British Government. The subsequent conduct of that vessel on the ocean is a matter known to all; her frequent visits to British ports and the succor she has there received are facts equally well known; the entire omission of that Government to prevent her original departure, or to arrest her at her colonial ports, or to pursue her at all, is admitted. If to all this is added satisfactory evidence, in each individual instance, of the loss sustained, the case is fully prepared for presentation to the British Government and for a contemporaneous application for indemnity. The people of England will then have the opportunity of demonstrating to the world that they are, as they have with honorable pride always claimed to be, a law-loving and a law-abiding people; they will be able practically to illustrate the great precept of that Christian faith, which they and we profess: "As ye would that men should do unto you, do ye also to them likewise."

It is not to be presumed that, on a proper and respectful presentation of the case, that Government will falter in the performance of its duty. Should such unfortunately be the result, and should indemnity be refused, an amicable (and not an unusual) mode of adjusting the controversy would be its submission to the arbitrament of an impartial and mutually friendly nation. The United States may decline making such a proposal on the ground (often taken in private life), that the case is too clear for submission. If made, Great Britain may decline it. In that event, and in the event of continued refusal to make compensation, the Law of Nations points out very clearly the remedy, which our Government would have the *right* to adopt, namely, the issuing of letters of marque and reprisal, or a declaration of war. The question of the *actual* adoption of

any remedy would be considered by our Government with all the deliberation and conscientiousness which its magnitude requires.

XII. It cannot be doubted that the acts of the British Government and of many British subjects, since the inauguration of the rebellion, have been universally regarded here as, to say the least, exceedingly unfriendly. It was very naturally supposed that the ties of a common origin, a common language, and a common religion bound England and the United States together in the bonds of an indissoluble friendship, and when our *nationality* was attacked and our Republic sought to be dismembered and overthrown, as it was by this rebellion, it was a pervading belief in this country that we should have at least the sympathy and kind feeling of England. Her "material" aid we never required, and it will never be solicited. But greatly have we been disappointed that we have not had that sympathy and kindness. On the contrary, no man whether friend or foe of the States in rebellion can for a moment doubt that without the countenance given to those States by the Government of Great Britain, and the aid furnished to them by her subjects, the rebellion would long since have tottered to its fall—a shocking waste of valuable life and an enormous expenditure of material means would have been prevented. Indeed, Great Britain's recognition of those States as "belligerents," and her concomitant proclamation of neutrality, to say nothing of any subsequent acts of that Government or her people, may with exact truth be said to have been an *indispensable ingredient in the vitality* of those States, without which they would have had an inglorious existence of but a few brief months, and then have sunk forever into a dishonored grave.

Whatever may be thought of the merits or demerits of slavery, it cannot be denied that this country has been greatly astonished at the inconsistency and insincerity of the British Government and many of the people of England,* in giving their sympathy, countenance, and (as shown

* The nobility of England, as a class, have decidedly sympathized with and favored the rebellion. It may be well for those gentlemen to consider whether there is any truth in the sentiment expressed in a late number of the *London Review*, that any one who knew what lies beneath the surface of European society must be aware that the spirit of republican liberty is a snake that has been scotched—not killed. Indeed, no man can doubt that the "leaven" of the American and the French Revolutions is continually and powerfully, though silently, "working." It would be well for them also to consider how long, in the present day of intelligent and independent thought, a system wholly artificial and unnatural, by the fundamental rules of which the mere *accident* of birth, irrespective wholly of mental or of moral merit, places *forever* the *few* in an exalted social and (so far as an important legislative power is concerned) political position, and equally places *forever* the *many* in a position of inferiority and comparative degradation—they may well, I say, consider how long such a system is likely to endure. Especially should they so consider, when a large and influential part of the "Home" Empire of Great Britain is ready for revolt at any moment, and when multitudes of the people, even of England herself, are restive under the oppressive burden of taxation and those iron rules of social and political exclusiveness. The voice of friendship might well warn those gentlemen to beware how they lend their aid and countenance and sympathy to an unspeakably wicked attempt to destroy the only Government on earth (with one or two trifling exceptions,) where the "people" are in form and in fact sovereign—a Government which has had

above) their efficient aid to a combination of persons associated for the purpose of establishing a government whose "corner-stone" is "*slavery*," as they uniformly declare, and as was distinctly stated on a grave public occasion by their favorite chief, ALEXANDER H. STEPHENS.

When it is remembered that, ever since the final triumph of WILBERFORCE in 1833,* that Government and the people of England, individually and collectively, have been in every possible manner the advocates of "*slavery abolition*," and have in fact effected that abolition in nearly the whole world, excepting in the American States now in revolt against their country and their Government, it is not unnatural that this astonishment (if no stronger feeling) should universally prevail. We entertain it in common with all Continental Europe,† and (happily it can be said,) with thousands of England's worthiest subjects. I speak not now of slavery or anti-slavery—that matter is wholly foreign to this discussion—but merely of the surprising and melancholy exhibition England has made in this regard to the world. The whole American people have been accustomed to look on the Queen of England with a feeling bordering on affection; they fully believe in her humane and Christian character, and, so believing, they doubt not that she will hereafter regret in earnest bitter-

and still has the enthusiastic admiration of multitudes of poets, orators, statesmen, and heroes in every country in the civilized world, and which has at this moment millions of friends, nay, "lovers," in England, Scotland, Ireland, and on the Continent. The American people are not propagandists—they desire not that any other people should adopt their form of Government—but they themselves adhere to it with a death-like tenacity. In the event of a war with England, arising from or necessitated by an inimical and unjust interference on her part in *any manner* in our domestic affairs, the whole people of the United States would rush as one man, and with an universal, intense, and, it may with truth be said, a furious enthusiasm to defend the hallowed flag of their country against foreign insult or attack. No "conscription" laws would then be necessary—every citizen would be of his own accord a soldier. In that event, though great would be the calamity to us, we believe, nay, we know, that our Republic would come out of the contest (as it will out of this rebellion,) "purified as it were by fire," and fixed "on foundations that cannot be shaken." Whereas, it would not be the strangest of historical events that *such* a contest, in connection with her domestic condition, should result in anything but an addition of strength and power to the British monarchy.

* Thirty years ago, WILBERFORCE said, "Thank God that I should have lived to witness a day in which England is willing to give twenty millions sterling for the abolition of slavery." Such was then and such has ever since been (*until this rebellion*) the professed sentiment of England and her people.

† In view of all this, the distinguished Frenchman EMILE DE GIRARDIN has recently said, with equal wit and truth, that "England is a mistake."

Another equally eminent Frenchman, DE GASPARIN, in his "Uprising of a Great People," and his "America before Europe," has administered to England some of the most telling rebukes to be found in any language. The Government of that country could not make a more beneficent expenditure of money than to gratuitously circulate tens of thousands of copies of these works among her people.

ness that she yielded to the counsels of her ministers in the issuing the proclamation of "recognition" and of "neutrality," whose direct and undoubted effect has been to prolong this revolting civil war and to add ten, nay, an hundred, fold to its horrors.

But these matters do not affect the question under consideration, and they are alluded to only for the purpose of showing that we have much cause of complaint, which, though not a violation of the Law of Nations and not entitling us to reclamation, would naturally render us more tenacious in requiring of Great Britain the performance of her neutral duties, and, in the event of their violation, in asking the indemnity provided by that Law.

It is perhaps needless to add that the principles and reasonings applicable to the case of the *Alabama* apply alike to all the cases of rebel privateers fitted out at and dispatched from any British port, or *dispatched* from one British port and fitted out partially or wholly at another or elsewhere.*

I have endeavored to discuss this question simply on its legal merits, and without appeals to passion or prejudice. My object was merely to demonstrate that the law of nations entitles us to indemnity. The earnest hope is cherished by every American citizen that a satisfactory adjustment of our claims on this occasion will be made; that thereby much of the acerbity of feeling now existing would disappear, and that the peace of these two nations would, not only in form but in reality, be continued and perpetuated.

NEW YORK, *October 16, 1863.*

* I subjoin, by way of appendix to this paper, a list of our vessels captured by rebel privateers, prepared by Capt. J. H. Urrox, Secretary of the "American Shipmasters' Association," for which he deserves the thanks of his countrymen. The sight of such a list must cause a thrill of horror in every American heart, indeed, in every heart, not lost to all sentiments of honor, humanity, and civilization. I say this, because of the enormity, in a moral and practical point of view, of the acts of these privateers; they are in every *practical* sense worse than *piratical*. To say nothing of the infamous means so often adopted to lure their victims to destruction, they war solely on individuals, without even a pretence that their acts in any degree injure the "United States" as a people, or benefit the "Rebel Confederacy" as such; and, what is more, *the privateersmen themselves individually are in no manner benefitted*, for the vessels and cargoes taken are, contemporaneously with their capture, *consigned to the flames*. Thus they have not even the apology of professed "pirates." Their work, consequently, is a work of purely wanton destruction, unmitigated in its barbarism, and must of necessity shock every one whose moral sense has not ceased to be a living power.

(APPENDIX.)

ALPHABETICAL LIST OF VESSELS CAPTURED BY REBEL PRIVATEERS.

Reported up to October 1st, 1863, with Name of Master, Port of Clearance, Destination, Date, Place of Capture and Tonnage.

[PREPARED BY CAPT. L. L. UFTON, SECRETARY AMER. SHIPMASTERS' ASSOCIATION, FOR HUNT'S MERCHANTS' MAGAZINE.]

Vessels.	Master.	Where from.	Where to.	Date.	Captured by.	Tons.
Admiral Blake, schr.				1862.		200
Albert Adams, brig.	Cousins	Cuba	New York	July 3, 1861	Steamer Alabama, off the Flores.	192
A. B. Thompson, ship.	J. M. Small.	Savannah	New York	1861.	Off Port Royal, S. C.	800
Alert, bark.	Church.	New London	Hurd's Island.	1862.	Steamer Alabama, off the Flores.	391
Altamaha, brig.		Sippican	Atlantic Ocean.	1862.	" "	300
Aldebaran, schr.	Hand	New York	Maranham	March, 1863	Steamer Florida.	187
Alleghanian, ship.	Barstow	Baltimore.	London	1862.	Destroyed by Rebels off the Rappahannock.	1,142
Arcade, schr.	Smith.	Portland	Guadaloupe	January, 1861	Steamer Sumter.	200
Ariel, steamer.	Jones	New York	Aspinwall.	Dec, 1862.	Steamer Alabama.	1,295
Alvarado, bark.		Capetown	Boston.	June, 1861.	Steamer Sumter.	299
Alfred H. Partridge, schr.		Gloucester	Fishing on Banks.	June 7, 1863.	Privateer Tacony.	200
Ada, schr.		Gloucester	Fishing on Banks.	June 28, 1863.	" "	200
Arabella, brig.	Conover.	Gloucester	Fishing on Banks.	June 7, 1863.	" "	300
Archer, schr.		Gloucester	Fishing on Banks.	June 12, 1863.	" "	200
Amazonian, bark.	Lorland	New York	Montevideo.	June 2, 1863.	Alabama, lat. 11.15, lon. 34.30.	481
Anglo Saxon, ship	Caverly	Liverpool.	New York		Off Rio, (bonded).	868
Alliance, schr.		Philadelphia	Port Royal		Alabama, off Rio, (bonded)	190
Anna F. Schmidt, ship.		St. Thomas.	San Francisco.		"	784
Atlanta, ship.	Merrill.	Montevideo.	Chuncha Islands.		"	699
Benj. Dunning, brig.	Farney.			July 3, 1861	Steamer Sumter.	284
B. F. Martin, brig.	French.	Philadelphia.	Havana.	June 16, 1861	"	298
Benj. Tucker, ship.	Childs.	New Bedford.	Whaling.	1862.	Steamer Alabama, off the Flores.	800
Brilliant, ship.	George Hagar.	New York.	Liverpool	October 3, 1862	" lat. 40, lon. 50.30.	889
Betsy Anea, brig.				1863.	"	265
Bethial Thayer, ship.	Pendleton	Callao	Nantes	1862.	"	396

Vessels.	Master.	Where from.	Where to.	Date.	Captured by	Tons.
Baron de Castine, brig.	O. W. Haskell.	.....	New Orleans	1862	Steamer Alabama, lat. 39 N., lon. 69 W., (bond)	267
Boston, tug	Tibbetta	.....	New Orleans	June 9, 1863	Rebels, at mouth of Mississippi	100
Byzantium, ship.	Robinson	.....	New York	June 16, 1863	Privateer Tacony, lat. 41, lon. 69.10	800
B. F. Hoxie, ship.	.....	Magattan	Falmouth	.....	Florida, lat. 12 N., lon. 80 W.	1,887
California, bark	S. Hawthorne	.....	New York	1861	Steamer Sumter	299
Cuba, brig	J. G. Foster	.....	Vera Cruz	July 1, 1861	"	199
Chastelain, brig	Handy	.....	Guadaloupe	Jan. 27, 1863	Steamer Sumter, off Alwela Rock	293
Courser, schr	.....	Provincetown	Whaling	1868	Steamer Alabama	200
Crenshaw, schr	Nelson	.....	New York	Oct. 26, 1862	" lat. 40 N., lon. 65 W.	278
Corris, Ann, brig	Small	.....	Philadelphia	Jan. 22, 1863	Steamer Florida	235
Castine, ship.	Smith	.....	Callao	Jan. 26, 1863	"	963
Commonwealth, ship	McLellan	.....	San Francisco	1863	Steamer Alabama, lat. 30 S., lon. 80.25 W.	1,245
Charles Hill, ship	Percival	.....	Liverpool	April, 1863	" lat. 7.30 N., lon. 26.20	699
Clarence, brig	Phinney	.....	Bahia	1863	Steamer Florida	253
Crown Point, ship	Sohn N. Gett	.....	New York	1868	Georgia, lat. 7 S., long. 74	1,098
City of Bath, ship	Cooper	.....	Callao	June 28, 1863	" lat. 21 S., lon. 99.10 (bonded)	736
Constitution, ship	Webster	.....	Philadelphia	June 25, 1863	"	997
Commonwealth, bark	Salabue	.....	Valparaiso	April 17, 1863	Florida, lat. 20 S., lon. 81 E.	300
Conrad, bark	Moloney	.....	New York	1861	Alabama	347
D. C. Pierce, bark	Quiala	.....	Remedios	June, 1861	Privateer Jeff Davis	396
Daniel Trowbridge, schr	W. H. Morrow	.....	New York	1861	Steamer Sumter	300
Dunkirk, brig	Johnson	.....	New York	October, 1862	Steamer Alabama, lat. 40.30, lon. 54.20	298
Dorcas Prince, ship	Melcher	.....	New York	1863	" lat. 7.35 S., lon. 81.35 W.	699
Dictator ship	Phillips	.....	Liverpool	1863	Georgia, lat. 25 N., lon. 21.40 W.	1,293
Elizabeth Ann, schr	Thomas	.....	Gloucester	June 25, 1863	Privateer Tacony	200
Ella, schr	Warren	.....	Tampico	1861	Privateer Jeff Davis	92
Emily Fisher, brig	Staples	.....	St. Jago	March, 1863	Retribution	230
Eben Dodge, bark	Hoxie	.....	New Bedford	1861	Steamer Sumter	300
Enchantress, schr	Deveraux	.....	Boston	St. Jago de Cuba, July 18, 1861	Privateer Jeff Davis	200
Elisha Dunbar, bark	David R. Gifford	.....	New Bedford	1862	Steamer Alabama, lat. 39.50, lon. 85.20	300
Estella, brig	Brown	.....	Manzanilla	Jan. 17, 1863	Steamer Florida, lat. 23.50, lon. 34.17	300
Express, ship	.....	Callao	Antwerp	1863	Alabama, off Rio	1,072
Florence, schr	Gardner	.....	Gloucester	1863	Tacony, (bonded)	200

Vessels.	Master.	Where from.	Where to.	Date.	Captured by.	Tons.
Francis B. Cutting, ship.	Liverpool	New York	Aug. 6, 1863.	Florida, lat. 41 10, lon. 44 20, (bonded)	766
F. W. Seaver, bark.	Boston	Hong Kong	June 22, 1863.	Georgia, (bonded)	340
Glen, bark.	Philadelphia	Tortugas	July, 1861	Steamer Sumter.	287
Golden Rocket, ship.	Havana	Cienfuegos	July 16, 1861.	"	608
Golden Eagle, ship.	Howland's Island	Queenstown	1863.	Steamer Alabama, lat. 29 N., lon. 45 W.	1,273
Golden Rule, bark.	New York	Aspinwall.	Jan. 26, 1863.	"	260
Goodspeed, bark.	Londonerry	New York	June 21, 1863.	Privateer Tacony	300
Golden Rod, schr.	Holmes' Hole.	Cheapeake Bay	June 18, 1863	Georgia (bonded)	130
Geo. Griswold, ship.	Caidif	Callao	June 22, 1863.	" lat. 22 29 S, lon. 42 39 W	1,280
Good Hope, bark	Boston	Algoa Bay	Nov. 18, 1863	Privateer Retribution	486
Harriet Spaulding, bark	New York	Havre	Nov. 18, 1863	Steamer Alabama	200
Herbert, schr.	Key West.	Philadelphia.	August, 1861	Steamer Winslow	299
Henry Nutt, schr	Cardenas.	Boston.	July 6, 1862	"	200
Hannah Balch, brig.	Galveston.	Blockade	Jan. 13, 1863.	Steamer Alabama, off Galveston, Texas.	235
Hatteras gunboat.	Havre.	New York	Nov. 19, 1862	Steamer Nashville	149
Harvey Birch, ship.	Baltimore.	Rio Janeiro.	1863	Steamer Alabama	800
Henrietta bark	Nuevitas.	New York	Aug 4, 1861.	Steamer Winslow.	487
Itasca, brig	Liverpool	New York	June 20, 1863	Tacony, lat. 40 35, lon. 68 46, (bonded)	800
Isc Webb, ship	New York	Montevideo	May 26, 1863	Alabama, lat. 12 S., lon. 34 W.	1,300
Ibez Snow, ship	New York	Pernambuco.	Dec. 1861	Steamer Sumter.	1,070
Joseph Parks, brig.	Philadelphia.	Laguayra	June 16, 1861.	"	800
Joseph Maxwell, bark	Provincetown.	Whaling	May, 1861	Calhoun.	295
John Adams, schr	New York	Falmouth, Eng.	July 13, 1861	Privateer Jeff Davis	100
J. R. Watson, schr	Trinidad	Buenos Ayres.	March 2, 1863	Steamer Alabama.	200
John Welsh, brig.	New York	Cienfuegos	Jan. 10, 1863.	Retribution	275
John A. Park, ship.	Boston.	Foochow	Feb. 12, 1863.	Steamer Florida, lat. 24, lon. 65.	1,050
J. P. Elliott, brig.	Cuba.	New York	1861	Steamer Sumter.	237
Jacob Bell, ship	Cardenas.	Philadelphia.	June 16, 1861	Privateer Savannah.	1,882
J. S. Harris, ship.	Rio Janeiro.	New York	May 26, 1863	Steamer Alabama, lat. 12 S., lon. 35 30, (bonded)	800
Joseph, brig	Philadelphia.	Philadelphia	1863	Steamer Florida, lat. 37 10, lon. 75 04, (bonded).	171
Justina, bark.	W. B. Wood	Philadelphia			400
Kate Stewart, schr.					387

Vessels.	Master.	Where from.	Where to.	Date.	Captured by.	Tons.
Kate Dyer, ship	A. Dyer	Callao	Antwerp	June 17, 1863.	Lapwing (bonded)	1,278
Kate Oory, brig	Flinders	Westport	Whaling	1863.	Steamer Alabama	125
Kingfisher, schr	Lambert	Fairhaven	Whaling	1863.	"	125
Lafayette, bark	Lewis	New Bedford	Whaling	1863.	"	300
Louisa Hatch, ship	Grant	Cardiff	Singapore	1863.	"	835
Louisa Kilham, bark	White	Cienfuegos	Falmouth, Eng.	July 20, 1861.	Steamer Sumter	463
Levi Starbuck, ship	McMullen	New Bedford	Whaling	Nov. 2, 1862.	Steamer Alabama, lat. 35.30, lon. 66.	876
Lafayette, ship	Small	New York	Belfast, I. land	Oct. 23, 1862.	" lat. 40 N. lon. 64 W.	945
Lamplighter, bark	Harding	New York	Gibraltar	Oct. 15, 1862.	" lat. 41.30 S., lon. 59.17 W.	279
Lauretta, bark	Wells	New York	Messina	Oct. 28, 1862.	" lat. 39.45 N., lon. 68 W.	284
Lydia Frances, brig	Campbell	Boston	Batavia	June 16, 1862.	Off Hatteras	262
Lapwing, bark	Bolger	Boston	New Orleans	March 27, 1863.	Steamer Florida, lat. 31, lon. 62.	590
Lenox, bark	Seth Cole	New York	Noank	June 12, 1863.	Boston, at mouth of Mississippi	370
L. A. Macomber, schr	Potter	Gloucester	Fishing	June 20, 1863.	Privateer Tacony	200
Marengo, schr	Freeman	New York	Liverpool	Oct. 11, 1862.	Steamer Alabama, lat. 41.26, lon. 56.50	200
Manchester, ship	Landerkin	New York	Baltimore	July 1, 1862.	Privateer St. Nicholas	1,075
Machias, brig	Shoppey	Rio Janeiro	Whaling	July 9, 1862.	Privateer Echo	250
Monticello, brig	Hopkins	Provincetown	Whaling	May, 1862.	Privateer Calboun	300
Mary E. Thompson, brig	Havener	Boston	Washington	July 1, 1862.	Privateer St. Nicholas	210
Mermanid, schr	Soper	Boston	Hansen	June, 1862.	"	200
Mary Pierce, schr	Dodge	Boston	Hansen	June, 1862.	"	192
Margaret, schr	Hansen	Boston	Hansen	June, 1862.	"	206
Mary Goodell, schr	McGiverty	New York	Cape Town, CGH	March 30, 1863.	Steamer Florida, lat. 28, lon. 83.	200
M. J. Colcord, bark	Rufus Harriman	New York	London	April 8, 1863.	Steamer Alabama, lat. 2 N.	374
Morning Star, ship	Burgess	Calcutta	New York	July, 1861.	Steamer Winslow	1,105
Mary Alice, schr	Walsh	Porto Rico	New Orleans	1863.	Steamer Winslow	181
Mary Alvina, brig	Croft	Boston	Philadelphia	June 12, 1863.	" lat. 37.18, lon. 75.4	266
M. A. Shindler, schr	Wm. Ireland	Port Royal	Falmouth	July, 1861.	Alabama, False Bay, (Released)	299
Martha Wenzell, bark	Chase	Akyab	Boston	Feb, 1861.	Steamer Sumter	578
Naiad, brig	Burdett	Messina	Boston	Sept, 1861.	"	800
Neapoliton, bark	Doane	New York	Antigua	"	"	322
N. Chase, schr	Doane	New York	Antigua	"	"	150
Nora, ship	Adams	Liverpool	Calcutta	1863.	Steamer Alabama	800

Vessels.	Master.	Where from.	Where to.	Date.	Captured by.	Tons.
Nye, bark	Barker	New Bedford	Whaling	1863	Steamer Alabama	300
Omulgee, ship	O'borne	Edgartown	Whaling	Feb. 21, 1863	" off the Flores	300
Ocean Rover, ship	Clark	Matapoisett	Whaling	81863	"	766
Olive Jane, bark	Kallock	Bordeaux	New York	Feb. 21, 1863	"	300
Ocean Eagle	Luce	Rockland	New Orleans	1861	Steamer Sumter	290
Oneida, ship	Potter	Shanghai	New York	1863	Steamer Alabama, lat. 1.40 S., lon. 29 W.	420
Oceola, bark				1862	" off the Flores	300
Ocean Cruiser, schr.	Miller	Calcutta	Liverpool	1862	"	200
Punjaub, ship	Fulton	Boston	Aux Cayes	Nov. 30, 1862	" lat. 18.30	760
Parker Cook, bark	J. Clark	Cuba	Philadelphia	June, 1861	"	135
Protector, schr	Cook	Provincetown	Whaling	May 29, 1861	Privateer Calhoun	200
Panama, brig	Crowther	Curacao	Baltimore	July, 1862	Steamer Winlow	153
Priscilla, schr		New York	Porto Rico	Feb. 27, 1863	Steamer Alabama	144
Palmetto, schr	O. H. Leland	Callao	Antwerp		Georgia, (bonded)	172
Prince of Wales, ship	Morse	Gloucester	Fishing	June 22, 1863	Privateer Tacony	960
Rufus Choate, schr	Smith	Laguayra	Philadelphia	June, 1861	Privateer Jeff Davis	200
Rowena, bark	Wilson	Philadelphia	St. Domingo	Feb. 26, 1862	Steamer Nashville	340
Robert Gillfillan, schr	Smith	Gloucester	Fishing	June 22, 1863	Privateer Tacony	240
Ripple, schr	Gearing	Provincetown	Fishing	July 7, 1863	Florida	200
Retwig, schr	Avery	Buena Vista	New York	May 24, 1863	" lat. 29.23, lon. 86 W	95
Red Gauntlet, ship	Howes	New York	Buenos Ayres	July 15, 1863	Privateer Jeff Davis	1,038
S. J. Waring, schr	Smith	Whittemore	Boston	1863	Steamer Alabama, off the Flores	372
Starlight, schr		Calcutta	Charleston	1861	Steamer Sumter	205
Star of Peace, ship	Hinckley	Liverpool	Boston	1861	"	941
Sebastcock, ship	Chase	Porto Rico	Calcutta	1863	Steamer Alabama	549
Santa Clara, brig	C. Jordonson	Sunderland	Newbern	1863	By rebels, at the mouth of Neuse R. ver.	189
S. Gildersleeve, ship	McOullum	Philadelphia	New York	1861	"	100
Sea Bird, schr	Scott	Baracoa	Boston	June 24, 1863	Privateer Tacony, lat. 43.10, lon. 68.4	200
Sea Witch, schr	W. Egbert	Liverpool	Boston	May 8, 1863	Steamer Alabama, lat. 9.85 S., lon. 31.20 W	95
Shattermuc, ship	J. H. Oxford	Boston	San Francisco	June 3, 1863	Florida, lat. 40 N., lon. 68 W., (bonded)	200
Sea Lark, ship	Peck	New York	Liverpool	June 3, 1863	" lat. 34 S., lon. 36 W	974
Sunrise, ship	R. Luce	Boston	Hay Kay	June 3, 1863	"	1,174
Southern Cross, ship	Lucas					998

Vessels.	Master.	Where from.	Where to.	Date.	Captured by.	Tons.
Santee, ship.	Parker.	Akyab.	Falmouth.	.....	Conrad, (bonded).	898
Sea Bride, bark.	.....	.....	.....	.....	.....	447
Transit, schr.	A. Knowles	New London.	.....	July 16, 1861.	Steamer Winslow.	195
T. B. Wales, ship.	Lincoln	Calcutta	Boston	.....	.....	699
Tonawanda, ship.	T. Julius	Philadelphia	Liverpool	.....	.....	1,300
Tacony, bark.	William G. Mundy	Port Royal	Philadelphia	.....	.....	296
Texas, bark.	Thomas E. Wolfe	New York.	New Orleans	.....	.....	888
Talisman, ship.	Howard	New York.	Shanghai	.....	.....	1,237
Umpire, brig.	Perry	Lagana.	Boston	.....	.....	196
Union Jack, bark.	C. P. Weaver	New York.	Shanghai	.....	.....	300
Virginia, bark.	S. B. Tilton.	New Bedford	Whaling	.....	.....	300
Vigilant ship.	Hathaway	.....	.....	.....	.....	650
Varnum, H. Hill, schr.	.....	Provincetown.	.....	.....	.....	90
West Wind, bark.	Saunders	New York.	New Orleans	.....	.....	429
Wave Crest, bark.	Harman	New York.	Cardiff.	.....	.....	409
Weather Gauge, schr.	G. Clark, Jr.	.....	.....	.....	.....	900
Washington, ship	White	New York.	Liverpool	.....	.....	1,655
Windward, brig	Roberts	Matanzas.	Boston	.....	.....	199
W. McGilvery, brig	Harriman	Cardenas.	Philadelphia.	.....	.....	198
W. S. Robbins, bark	.....	Arroya	New York	.....	.....	200
Whistling Wind, bark.	Butler	Philadelphia.	New Orleans	.....	.....	349
Wanderer, schr.	.....	Gloucester.	Fishing	.....	.....	200
William B. Nash, brig.	Coffin.	New York.	Marseilles	.....	.....	299

SUMMARY.—178 vessels, comprising 1 U. S. gunboat; 1 steamer; 1 steam-tug; 54 ships; 42 barks; 82 brigs; 47 schooners—80,899 tons.

TEXTILE FABRICS:

FLAX, HEMP, WOOL, SILK, AND COTTON.

THE cultivation and manufacture of the four great materials, Flax, Wool, Silk, and Cotton have ever been the chief means of industrial employment, and their products the principal articles of traffic among nations. It is only very recently, however, that the manufacture of the three last mentioned have made much progress in Western Europe. In the present century, the supply of these three materials has been greatly increased and the qualities have been greatly improved, while machinery has been largely employed in their manufacture. Linen, on the other hand, has been of very remote and general use, yet has comparatively defied the powers of machinery and the attempts made to improve its manufacture. It has therefore been and continues to be more dependent upon the slow and costly process of hand labor than the other three articles. It is, however, one of the most general productions of the European peasant, and is afforded at comparatively low cost. Belgium and Holland have been the most remarkable for linen industry; the culture and manufacture of flax were well developed among the Belgi when the Roman power first dominated the Rhine country. At that remote period the *blouse* was already the national costume, and Italy derived a new commerce in the importation of the linen fabrics of Flanders. The pre-eminence in this trade then possessed by the Low Countries was held for many centuries. As to its origin, many writers trace it back three centuries before CHRIST. It is certain that in the 13th century Belgium had a monopoly of the linen manufacture in Europe. Nivelles was then the seat of the manufacture, which, however, soon spread to Brabant, Hainau, and Journal. In the latter part of the 15th century, ALBERT and ISABEL, on visiting Courtrai, were presented with damask cloths of great delicacy, and in the 16th century the growing India trade had introduced cottons, and silks had grown into more general use. The cultivation of cocoons in Italy had begun at this time to be quite extensive, and when HENRY IV. of France displayed the first pair of silk stockings, which were imported, an impulse was given to the manufacture which laid the foundation of the prosperity of Rouen, Lyons, etc. The linen manufacture also spread through Germany, England, and Spain. These circumstances caused a decline in the Belgium trade, and a government commission was ordered to investigate the matter. As a result of this commission the exportation of flax was prohibited and also the importation of cottons. These enactments did not help the matter much. The general growth of wealth and population, however, kept up a certain demand for Belgium linen, notwithstanding the growth of manufacture elsewhere. In the beginning of the 18th century there were sold annually in the Flemish markets 100,000 pieces of linen of 80 yards each, and this did not comprise the large quantity made in the cottages of the peasantry for their household use. The steady progress of the trade during the 18th century will be gathered from the statistics contained in public documents of the quantities sold in the market of Ghent alone. In 1735, there were 65,849 pieces; in 1775, 79,040;

in 1760, 83,305; and in 1764, 86,315. The other chief markets were Courtrai, Audenarde, Alost, Renaix, Lokeren, and Bruges.

When Belgium fell under the rule of France, in the year IX. of the French republic, Flanders alone was estimated to produce 282,793 pieces of linen—say 22,623,440 yards, valued at \$3,675,282. The manufacture continued to extend in Belgium up to 1838, at which period the competition of Great Britain and Ireland in the European and foreign markets checked its progress. In 1840, the entire quantity manufactured in Belgium was estimated at 400,000 pieces, or 32,000,000 yards, valued at \$12,000,000.

The manufacture of flax had, at this time, progressed in England greatly, and the growth of flax in Ireland, under the auspices of the Royal Society, increased in ten years ending 1851, 100,000 acres, and has been annually as follows:

1863.....acres	214,092	1858.....acres	91,641
1862.....	150,670	1857.....	07,721
1861.....	147,957	1856.....	106,311
1860.....	128,595	1855.....	97,075
1859.....	136,282	1854.....	151,403

The increase of sowing in 1863 is nearly 45 per cent as compared with 1862; and, as compared with any of the years 1855, 1856, 1857, and 1858, the increase is more than 100 per cent. The quality of the flax and its price are all that could be desired. Of the whole number of acres in 1863, 207,345 were in Ulster. The import of flax into Great Britain in forty years to 1860, increased 115,000,000 lbs. In France the trade had also become well developed. In all this time, however, linen had to contend against not only the growth of the other materials, but their adaptedness to the same purposes.

The use of wool throughout Europe, particularly in France and Great Britain, had been confined to coarse textures, as well from the nature of the wool itself as from the want of proper machinery for its manufacture. The Spanish breed of sheep alone furnished the proper material for cloths, and it was not until the First Consul, at the close of the 18th century, caused the transfer of some 7,000 Spanish rams to France that the breed began to improve. When Spain was occupied, the great conqueror, ever mindful of material interests, caused a great importation of merinos into France, from which the greatest results were derived; for when France, in 1815, was overrun by the allies, the fine rams were carried off to Germany. Fine wools have since been of more general growth, and have greatly aided in the spinning of fine woollen yarns. In England the improved breed of sheep produced the long, brilliant combing wools for which that country is famous. The export of these wools was prohibited until 1828, and since that time, by the aid of machinery, wools have grown to rival cotton and linen in the fineness and brightness of the fabrics that may be wrought from them.

The manufacture of silk, at the same time, has spread wonderfully in France and England, and the silk industry of Italy has become one of the most important for the supply of the raw material, which has not only contributed the costly fabrics worn by the wealthy, but in its mixture with the other materials has diversified and extended the use of all.

All these articles, however, (silk, flax, and wool,) have found in cotton

their most powerful competitor; for, since 1800, cotton has been so developed as to form two-thirds of the whole material used for modern clothing. The immense and rapid increase in the culture of cotton, and its successful application to purposes of wearing apparel, come so obtrusively upon the public, that all are aware of the progress so made; but it is not generally borne in mind that the aggregates of the four other prime raw materials, including hemp, increase nearly as fast in supply as does cotton, and that the price of each is materially influenced by the supply of each of the others. During the first half of the present century, England has been the work-shop of the world, and although in other countries the development of manufactures has, in the last forty years, very rapidly increased, the production in England has maintained its supremacy. Hence, if we take a total of the quantities of each of the five great raw materials imported into England, for the use of her manufactories, we shall have results as follow:

IMPORTS OF RAW MATERIAL INTO ENGLAND.

	Cotton, lbs.	Wool, lbs.	Silk, lbs.	Flax, cwt.	Hemp, cwt.
1790	30,574,374	3,245,362	1,253,445	257,222	592,306
1810	126,018,487	10,986,224	1,796,106	511,970	955,890
1830	255,426,476	32,313,059	4,818,181	944,096	506,771
1840	437,099,631	52,862,020	4,756,121	1,338,217	612,516
1844	558,015,248	69,493,355	6,207,678	1,595,839	911,747
1850	666,223,760	72,674,483	4,942,417	1,821,573	1,048,635
1851	760,762,250	83,063,679	4,608,386	1,194,184	1,293,410
1860	1,225,989,072	148,396,597	9,178,610	1,461,010	1,609,175

It will be observed that England was a large wool-producing country, and gradually her trade so increased as to use up all her own produce, and require annually increasing supplies; but her trade did not increase rapidly until in 1827, when the prohibition of the export of wool was removed. The supplies since then have been large. In 1825 the silk trade was thrown open, and the quantity of raw silk required by the manufacturers tripled in twenty years.

If now we regard England as the great work-shop of the world, and make a table of the imports of the five great materials, we shall have an indication of the relative supply of each of the five materials to the whole:

IMPORTS OF RAW MATERIALS FOR TEXTILE FABRICS INTO GREAT BRITAIN.

	Hemp, lbs.	Flax, lbs.	Silk, lbs.	Wool, lbs.	Total four articles, lbs.	Cotton, lbs.	Price Up-land in Liv. erp ^{ol} .
1835	72,352,200	81,916,100	4,027,649	41,718,514	160,014,463	326,407,692	104d
1840	82,971,700	139,301,600	3,860,980	50,002,976	276,137,256	531,197,817	6
1845	103,416,400	159,562,300	4,866,528	76,813,855	344,253,785	721,979,953	4½
1850	119,462,100	204,923,900	5,411,984	74,326,778	404,137,912	714,502,600	4½
1855	186,270,912	145,511,437	7,548,639	89,300,446	368,631,454	891,751,963	5½
1856	142,613,523	189,792,112	8,236,685	116,211,392	456,863,714	1,023,886,304	6
1857	169,004,562	209,933,125	12,718,667	129,749,898	521,426,452	969,318,896	7½
1858	184,316,000	144,439,332	6,635,845	127,216,973	462,608,150	1,076,519,800	71
1859	241,917,760	160,384,144	12,578,849	133,244,634	548,169,387	1,225,989,072	6½
1860	140,910,600	128,176,000	10,811,204	148,396,597	428,293,301	1,086,670,900	7½
1861	150,802,800	116,696,200	10,671,208	164,200,637	442,371,445	982,068,670	13½
1862	170,720,700	157,354,500	13,095,268	192,058,241	533,228,709	526,313,700	25½

Thus, each of all the great raw materials has increased in the quantity consumed; and the weight of the four first, wrought up in England, has doubled in quantity in the fifteen years up to 1850, or increased in the same ratio as cotton. The influence of gold discovery was now apparent

upon the supplies of the articles named, and in 1857, the year of the panic, the imports of flax and silk were very large, carrying the aggregate of the four materials to nearly 60 per cent of cotton. Since that year there seems to have been no material increase in their receipts in the United States. From 1840 to 1850 the cotton culture did not materially increase, that is, in ten years it only increased 3 per cent per annum. The culture of linen, and its employment throughout Europe, has been very large, quite as large, in proportion, as in England. Taking Europe and England together, therefore, it may well be questioned whether the actual weight of the four minor raw materials had not increased faster than that of cotton up to 1850. The events of the last quarter of a century have tended to promote supply, more particularly in the last fifteen years, in which time the Chinese trade has become more regular in the supply of silk for European use, and Australia has become the great wool country, while the United States cotton power has been immensely developed. In the same period, also, the industry of Russia, has received a more intelligent development, causing a greater supply of hemp and flax at cheaper rates. All these sources enhanced the supply of raw material for textile fabrics fifty per cent in ten years to 1850, and perhaps somewhat faster than the demand for the goods produced would take them up. The influence of one material upon the other has been continually made more effective by the ingenious combinations of the cheapest among them into the new fabrics. Thus, fabrics of silk and wool, wool and cotton, silk and cotton, silk, cotton and wool, have all assumed different textures, and different proportions of each material, according to the relative cheapness of each. Consequently, the price of any one has always been checked by that of the others, and the value of all has been influenced by collateral circumstances.

The above table gives in pounds' weight the quantities of raw material imported into Great Britain from all countries in each year. It does not include the wool used of home growth, or the increasing supply of Irish flax, but it indicates the demand that England has annually made upon the countries that produce raw materials for the means of supplying the large demands made upon her factories for goods. The stimulus everywhere given to the production of exchangeable values, and the diminished cost of transportation, as well as the more liberal policy of governments, have left to the producer a larger share of the products of his own industry, and this has shown itself in a demand for clothing. It is to be observed in the table that up to 1850 the proportion of the four other articles increased faster than cotton. Those articles, worked more and more into fabrics, that before had been exclusively of cotton, the result was cheaper fabrics that gradually glutted the markets, and the price of cotton fell from 10½ cents in 1835, almost year by year, to 4½ cents in 1848, the extreme low price being the effect of the famine. In that period of time, however, the purchases of cotton had doubled in England, and of the other four articles they had tripled. These are the receipts of raw materials into the work-shops of England only. Those of the continent have received similarly increased quantities. Since 1850—that is to say, since the discovery of gold—a change has, as we before stated, taken place. The supply of raw materials has increase in magnitude, but the demand for clothing has apparently increased in a greater degree, since an aggregate quantity of raw materials in 1857, 50 per cent greater

than the large supply of 1850, sold at a rise of 75 per cent in price, or at a rate of $7\frac{1}{4}$ d. per pound for cotton, against $4\frac{1}{4}$ d.

Such was the progress of events up to 1861, when political events in the United States cut off the supply of American cotton, and reduced by one entire third the quantity of materials required by England alone for clothing. It may be observed that the progress of spinning had been very rapid, and probably far exceeded the regular demand for goods, causing most markets to be glutted. When, therefore, the cotton growth of the United States was withheld from the markets, and diminished consumption was forced upon all manufactures alike, the direct tendency was to appreciate the value of all goods, as well linen, woolen, and silk, in all markets. All those who held stocks of goods were benefitted—the operatives alone suffering for want of work. The effect of this rise in prices was, also, to reduce the rate of consumption, causing the existing stocks to last longer than they otherwise would have done. That process has a limit, however, since the quantity of cotton used by all nations being reduced, they have been compelled to use more of other materials, and as a consequence have been able to spare less of those materials for the general markets. Hence the aggregate importation of the four articles have not much increased since cotton has been withheld. The export of cotton from the United States has been as follows:

	Pounds.	Value.	Per lb.
1857.....	1,048,282,475	\$131,575,859	12 $\frac{1}{2}$
1858.....	1,118,624,012	131,386,661	11 $\frac{1}{2}$
1859.....	1,386,468,556	161,434,923	12 $\frac{1}{2}$
1860.....	1,767,686,338	191,806,555	10 $\frac{1}{2}$
1861.....	307,516,099	34,050,483	11 $\frac{1}{2}$
1862.....	5,064,564	1,180,113	23
1863.....	850,280	660,224	80

Had the United States supplied in 1861 and 1862 the same quantity that they supplied in 1859 and 1860, Europe would have had 3,154,154,894 pounds more material—equal to 15,000,000,000 yards of cloth. Inasmuch as none was derived from the United States, England exported as follows:

August, 1860, to December, 1861, 17 months....	yards	4,239,903,766
January, 1862, to July, 1863, 17 months.....		2,227,170,173
Decrease.....		2,012,733,593
Decrease of manufacture in Europe.....		3,101,000,000
“ “ “ “ United States.....		2,750,000,000

Reduced supply of cotton cloth..... 7,863,733,593

This immense reduction in the supply of clothing is, to some extent, counteracted by economy in consumption, but also in the larger use of articles from other materials. The effect of the reduced supply upon prices has been to double the prices of cotton goods in England, and proportionately to raise the value of other commodities, and, consequently, by a well known law of trade, to diminish the use of all.

The production of goods in the Northern States, according to the census, was, in 1860, as follows:

	Pounds used	Yards.	Value.
Cotton	336,327,120	1,285,408,480	\$107,873,646
Wool.....	64,565,010	35,000,000	67,208,001
Total.....	400,892,130	1,320,408,480	\$175,081,647

Thus, of the raw material, 80 per cent was cotton, which was used alone and in mixtures with wool in New England in the proportion of one-seventh and in the Middle States of 40 per cent. There were also imported 80,000,000 yards of linen, and, when the supply of cotton ceased, many of the manufacturers had large stocks and all had considerable supplies of cotton goods, the manufacture of which has now comparatively ceased for two years. The withdrawal of so large a quantity of goods from the markets was necessarily a cause of a great rise in prices, which, in New York, reached nearly four times the usual price. The rise was doubtless caused not altogether by the short supply of cotton, but in some degree, also, by the state of the currency. Exactly where the one cause ceased to act and the other commenced it is difficult to say. The combined effect was greatly to retard consumption, or to make the same stock of goods last for a much longer period. The stocks of goods gradually declined, but importations have not been much enhanced, for the reason that all nations have suffered similar difficulties. Each nation being deprived of its usual supply of cotton, has been thrown back upon its other materials, and the surplus to be remitted that could be afforded for the general markets has been small.

It is no doubt the case that the cotton countries have exerted themselves to spare as much cotton as possible at the ruling high prices. The receipts into England have been as follows:

	United States.	Brazil.	Egypt.	East India.	Other places.	Total.
1860..	1,008,382,220	17,364,700	44,148,700	205,048,900	22,144,080	1,397,109,600
1861..	823,159,000	17,682,101	41,084,600	370,562,700	10,021,160	1,262,508,670
1862..	13,584,600	23,443,290	59,275,900	394,407,410	35,602,750	526,313,700
1863.. 5 mos.	391,450	9,951,100	52,881,700	108,283,950	27,097,425	138,605,625

The high prices of cotton has drawn larger quantities from the other cotton growing countries, but not in so great a degree as might have been expected. Those countries are, however, deriving large profits from the trade. Brazil receive last year over \$7,000,000 for cotton, when in ordinary years she gets but \$1,500,000. Egypt sold cotton for \$15,000,000, and the East Indies drew from England \$95,000,000 for cotton, instead of \$12,009,000 for ordinary sales. Those countries which profit so largely by the present condition of things are not anxious for its discontinuance. They cannot, however, furnish the requisite material for the goods wanted.

The cotton required by the trade of the world is of three divisions—the long staple, the medium staple, and the short staple. The long staple is that long fiber used for making warp, and is indispensable to make a thread finer than No. 50. The best of this description is grown only on the coast of Georgia and South Carolina. An inferior quality is also grown, in small quantities, in Australia, and another species is that grown in Egypt. That of Brazil is long staple, but harsh and coarse. The quantities of long staple cotton required are not large.

The medium staple is that used for low numbers of warp, and for the weft. The difference between warp and weft is, that the former requires strength and length of fibre; the latter, softness and fulness. A piece of

cloth contains five times as much weft as warp, and the quantity required is in that proportion. This description of cotton is obtained in the Southern States only.

The short staple cotton is used for wick yarns, and in some cases for weft. It is dry, harsh, fuzzy, like rough wool. If used for cloth alone, after washing, it has a thin, meagre look. This is the East India or Surat cotton. It is incurably bad. An experience of fifty years, of great expense, have established the fact that no other kind of cotton can be grown in the East Indies. American planters and American "saw-gins" have been sent over, and American seed has been planted; and the result has been a sensible amelioration in cleanliness and color, and some slight increase in length of fiber, but scarcely any change in specific character. The dry, fuzzy, woolly characteristics remain. Sometimes the first year's samples nearly resemble the American article, but the resemblance never becomes permanent. This description of cotton is that on which England and the world is now dependent, and the distress in the districts of France and England is very great. It is not unlike the potato famine of Ireland in 1846-47. Up to that time, an immense population had become solely dependent upon the one article, of potatoes for life. They planted their little patches, and the produce afforded food for the year. Suddenly the rot set in, and swept away that sole dependence. The consequence was the death of hundreds of thousands by famine, and the next census showed a loss of 1,700,000 population in Ireland. In Lancashire, the cotton trade employs:

28,000,000 spindles.....	\$126,000,000
300,000 looms.....	36,000,000
Working capital.....	100,000,000
<hr/>	
Total.....	\$262,000,000
Persons dependent.....	800,000

The sole support of this business was United States cotton, of which the crop has failed, and famine has overtaken the crowds of workers, and the most fearful distress is apparent in all quarters. The utmost efforts have been made to remedy this distress, and among those efforts has been the attempt to work India cotton; to which, however, the operatives have an unconquerable aversion. A writer states:

"This feeling appears to be general in all the mills, and arises from the constant liability of the India fiber to break during the process of manufacture; in consequence of which, it is difficult to work it so evenly as the American cotton."

BOOK-KEEPING.**WHAT A CLERK SHOULD BE.**

[Continued from page 281.]

IN our last we mentioned and commented on the three books required for keeping accounts in the simplest form compatible with correctness. Under various circumstances more books will be found necessary, such as the Stock Book, Bill Book, etc., but they are all subsidiary to the Cash Book, Journal, and Ledger, which form the ruling powers in mercantile domains.

Still, the Stock Book is especially worthy of serious consideration. If this book be properly kept, and the entries duly and correctly made, it will be found to prove one of the readiest tests of the honesty of the parties entrusted with their employer's goods; whilst it will, also, be a ready and safe reference for its owner, as to the nature and results of his transactions in the shop and warehouse. Should his suspicions be aroused as to the conduct of those to whom the control of his property is intrusted, he will not be necessitated to go through the ordeal of taking his entire stock, or striking a profit or loss account, before his jealousies are justified or set at rest; but by confining his attention to those articles which he may consider the more readily adapted to the plunderer's habits or taste, he may examine them at any time with the entries in the Stock Book, and judge at once, as to the reasonableness of proceeding to a more searching examination.

In answer to inquiries after goods by customers, he will here find an almost instantaneous knowledge as to his capability to supply their demands, and see the necessity for increasing his purchases or sales in every department of his business. By continuous reference to its details, he will be more likely to avoid that "scylla of the tradesman," the overstocking himself with goods, and be induced to keep the supplies within the bounds of probable and early demands; and, at the close of his mercantile year (or other stated period for balancing his affairs), he will not require to make out an inventory of his property, but only to carry out its details; and, bringing the balances together, will be in a position to check his trading account, by comparing the profit and loss therein with the actual results of his goods then on hand, as proved by the book, known and designated as the Stock Book.

In what we have said we have addressed ourselves particularly to those who are just beginning business for themselves, and we have seen the necessity all such are under for accuracy and neatness in keeping up the records of private monetary engagements. Surely, then, their absence will most materially disqualify the candidate for position in any established mercantile house or public company. It may be possible for a young man to conceal his deficiencies in the retirement of private life; but when brought into daily contact with the scrutinizing eye of his em-

ployer, he will surely suffer from any want, either of method or of manner. Errors will not be allowed to pass unnoticed when they affect the concerns of others, and any tampering with books or papers, to conceal original mistakes, will speedily be found out. However well versed one may be in classics or historical lore—however prepossessing may be one's personal appearance—these will avail but little in the competition for confidence, which must be the great aim of all clerks if they would seek success in life. To such, then, we would say generally, that in all entries which it may be their duty to make in the records committed to their charge, they should think deeply on the whole subject matter, before they commit the same to the safe custody of *black and white*. Let them remember that every fact which may be necessary to elucidate the subject should appear ; but that all useless repetition and unnecessary language must be omitted. Let them take particular notice that all essentials are on the record ; but that all useless waste of time and space are to be deprecated. They must remember, too, that their duty is to enter realities—not speculations—and that their own private opinions and theories should be kept to their own desks and in their own bosoms. We have known many young men who, with the desire to be esteemed cleverer than their fellows, have commented on what they really have not understood, and mystified those things that were clear to all but themselves ; whilst in their proper position, and in the routine of every-day official life, they have been far behind the requirements of their position, and have eventually realized the fable of the hare and the tortoise in the race with their companions in the same office.

Let, then, every young clerk recollect that the eyes of his employers are ever upon him, and that his conduct and his habits are undergoing a severe, although, perhaps, silent scrutiny.

As in the army, the soldier who unhesitatingly obeys the orders of his officer, is in the surest road to promotion—so the young clerk will find his best chance of rising in life to consist in undeviating attention to neatness and dispatch in Book-keeping, and the retention in his own breast of all ideas that may arise from the nature of the business committed to his charge.

We would not have him a mere unthinking tool or drudge, working like a slave at his daily task ; but a thinking, honest, intelligent man—faithful to the charge he is entrusted with, and devoting his energies to the proper fulfilment of the duties of his position. We would have him to act when action is requisite, and to reason within himself as to the causes and modes of procedure he may have to record or to witness. We would have him remember that his own opinions of fitness or method may not accord with those of his employers or superiors, and therefore to wait the time when he shall have inspired that confidence which must eventually result from devotion to their interests, and from the industry displayed in their service.

This may not eventuate till after years of application and of toil ; or it may come speedily. Some take a longer time than others before they bestow their confidence ; and we do not know but that the tardier the same may be in its coming, the more permanent it will be in its endurance ; but when it shall come to you as the result of intelligent, persevering, sustained application to the interests of your employers, sweet indeed will be your reward, and sweeter still will be the continuance of

your labors, from the consciousness that you have begun reaping your harvest in the fields of industry. To the beginner, then, we would say again, creep before you walk—walk before you run ; but when you have begun the race, remember the hare ! Slumber not on your path of rectitude and duty, and remember that “ the crown is reserved for those who endure even unto the end.”

The clerk, then, being thus indoctrinated with the first duties of his office, and continually remembering that Punctuality, Correctness, and Neatness must be his motto, must now turn his attention undeviatingly to those matters which may come under his control in the daily routine of his position. And, first, we would say, especially to those who are in banks or public companies, that civility to all with whom you may come in contact, *can never lose* you a friend. You are not bound to waste your own or your employer's time in *continued* discussion ; but you may save even much of that, as well as eventually of temper on both sides, by condescending to enlighten the ignorant, and being clear and explicit in those replies you may be called on to give to demands or inquiries for information. An author has said, “ Words were given to us to conceal our ideas.” This we deem but a bad specimen of Macchiavelli-ism, and the advice contained therein to be both untrue and impolitic. We would say, a civil question demands a civil answer, and if you feel yourself not at liberty to state facts, say so at once, and refer your querist to those from whom he may require them ; tell him that the answer does not belong to your department, and let him repeat his inquiries in the proper direction.

If you are at any time ordered to give an unpalatable answer to an applicant, do not needlessly add to the irritation by appearing to have a personal part in the proceeding. Let the disappointed one not have cause to turn his enmity on you, and think that he has the right to number you amongst his “ unfriends ;” but let him rather suppose that, but for your official position, he might reckon on your sympathy.

You must also remember that no private correspondence should intrude on your official and business time. You are employed then by others, and your hours and minutes are not your own. Rare, indeed, must be the exception to this rule, and great the cause which shall tempt you to break it. No petty reason should induce you to call your mind away from the duties of your office, and the necessary attention to the business confided to your care. No call should be then allowed that possibly could be attended to at another time ; and nothing but sickness or death should be allowed to cause your absence from the appointed post of duty. And whilst we are on this point of advice, allow us to add, that the unshaven, untidy clerk of *to-day*, cannot expect to meet the benevolent and sympathizing eye of the employer *on the morrow*. No man of sense can expect that a night of dissipation can properly fit him for the day of labor and of thought ; that the hand which was lifting the bowl of intemperance to his lips on the previous evening, will be steady to rule off the balance on the coming morning ; that the haunts of vice and of licentiousness will tend to sober his intellect and to brace up his nervous system for the battle of life and duty ; for truth cannot come out of falsehood, or life out of death. If, then, the young clerk should be asked by any of his fellows to stray out of the paths of sense and sobriety, let him look on the tempter with distrust ; let him remember that the first false step has occasioned the temporal and eternal ruin of thousands, and that the paths

of vice can be better avoided than they can be retraced. Circe destroyed not Ulysses, because he would not listen to her wiles; and destruction and disgrace are the sure attendants of those who once deviate from the ways of virtue and rectitude.

Let not extravagance in diet or in dress creep on you; reflect on your ways and means at all times, and that an eagle is made up of quarters and dimes. When you have a holiday assigned to you, remember that it is not to be wasted; and therefore devote it alike to the benefit of your bodily and mental health. Make the most of your time, and devote the interval assigned to their proper recreation, that when the period has expired you may return with fresh energies and renewed zest to those duties which Providence has surrounded you with, so that you may enjoy at once the esteem of your employers and the respect and applause of your circle of friends and acquaintances.

I think the summary of these remarks may thus be noted :

1. Remember that nights of intemperance and dissipation must unfit you for the daily duties of your position.
2. Do your own duty, and not leave others to do it for you.
3. Take lessons from the experience of the past, and improve thereon to the best of your ability.
4. Never be above asking for proper advice when needed.
5. Keep your own counsel.
6. Endeavor to preserve the true equilibrium of your bodily and mental health.
7. Never unnecessarily cause irritation in those with whom you may officially be brought into contact.
8. And, in all things act consistently, conscientiously, and circumspectly.

If you act up to these suggestions, I think that you will find the profit to be derived therefrom eventually come up to every fair expectation you may have made. But, should you not prove it so, at any event you will have the satisfaction of an easy conscience, and the knowledge that you have done your best to deserve success. On the contrary, should you be reckless, inattentive, wilful, and debauched, when the end shall come, you can only reflect on yourself, and allow that the public is quite correct when it says, "Served him right."

RUSSIA—POPULATION OF MOSCOW, FINANCES, ETC.

We gave a great amount of interesting information respecting Russia, in our issue of last month. Since then, we have received the statistical return recently published by the official police journal of Moscow, according to which, the population of that city on the 1st of January last was composed of 210,757 males and 134,799 females, divided as follows:—Nobility, 20,991; clergy, 4,929; burgess class, 92,403; peasants, 189,927; military, 22,342; foreigners, 4,658; individuals not classified, 10,306. At the same period, the city of Moscow contained 878 manufactories, occupying 42,456 work-people, and the produce of which were estimated at 30,000,000

of silver roubles (4f. each). There were in the city 34 ordinary and 78 lithographic printing offices, and 128 charitable establishments, giving an asylum to 4,197 men and 5,097 women. The receipts of the city for 1862 amounted to 1,522,116 roubles, and the expenses to 1,811,410 roubles. The deficit was made up from a reserve fund. During the year the police received declarations of 946 robberies committed in the streets and in private houses, and 20,079 persons were arrested. The number of fires during the year was 113, causing damages to the amount of 705,779 roubles, of which 445,300 were covered by insurance.

The state of the Russian finances has lately given serious cause for anxiety.

According to the monthly report of the Imperial Bank for August last, six hundred and thirty-six and a half millions of billets de credit had been issued, against twenty-four and a half millions of roubles in hand; that is, there is a security of one rouble cash against twelve roubles of paper money issued. The colossal extent of country open to the circulation of the notes keeps up a better demand than would otherwise be the case, yet the proceedings of the Imperial Bank have not escaped the usual consequences of over issue. Within the twenty months between the 1st January, 1859, and 1st December, 1860, 197,000,000 were withdrawn above the amount of fresh deposits; and a Berlin correspondent of the London *Telegraph* says that the sum would have been greater if one half of the remainder, consisting of 328,000,000 of roubles, had not been the property of corporations and charities, who had no help for it but to invest their funds according to government orders. It has been also proved by the events of the last few months that the amount of billets exchanged necessitated a suspension of cash payment, the end of which it is impossible to foresee. Under these circumstances, it will be of considerable interest to compare the different items of the following table:

	Billets de Credit. Roubles.	Cash. Roubles.	Stock. Roubles.
January 1, 1858.....	735,297,006	119,140,921	22,319,859
January 1, 1859.....	644,648,719	99,338,743	11,473,740
January 1, 1860.....	779,877,853	86,870,014	9,371,604
January 1, 1861.....	714,580,226	84,335,007	8,549,424
January 1, 1862.....	713,596,178	84,405,612	16,390,000
January 1, 1863.....	691,104,562	80,899,159	12,000,000
February 1, 1863.....	687,168,350	70,029,171	12,000,000
March 1, 1863.....	681,973,614	75,596,787	12,000,000
April 1, 1863.....	637,357,137	72,447,175	12,000,000
May 1, 1863.....	661,686,004	62,081,289	12,000,000
June 1, 1863.....	650,895,368	57,067,910	12,000,000
July 1, 1863.....	648,580,005	61,034,974	12,000,000
August 1, 1863.....	641,625,397	57,908,467	12,000,000
August 12, 1863.....	636,607,279	54,709,302	14,400,000

As is to be gathered from these figures, the proportion between cash in hand and billets issued was hardly ever so unfavorable as it is now. On the 1st of January, 1858, when the circulation of billets had reached the figure of 735,250,000 roubles, six roubles were covered by one, the proportion now being eleven and seven-tenths to one.

THE SUEZ CANAL.

WHAT HAS BEEN DONE AND WHAT REMAINS TO BE DONE.

ESPECIAL interest is felt at the present time in the Suez Canal project. This undertaking was projected by NAPOLEON. In 1852, M. DE LESSEPS attempted to form a joint-stock company, and two years afterwards obtained a firman from the Pasha of Egypt conferring upon him the exclusive privilege of carrying out the enterprise. In 1855, a commission of engineers from various countries examined the proposed route, and stated in their report that there were no extraordinary difficulties in the way. The company was formed in January, 1859, with a capital of \$40,000,000, and the work was shortly afterwards commenced, and over \$6,000,000 have already been expended.

In speaking of this work, the London *Times* says that the undertaking of the company is two-fold. The first and principal scheme is, of course, the Ship Canal itself, to be cut directly across the Dessert, northward from Suez to Port Said, on the Mediterranean. Port Said is nearly at the eastern point of the great Delta of the Nile, that includes the whole of the fertile region of Egypt, the better known port of Alexandria being at the extreme western extremity. The seacoast of the Mediterranean is the base of the great triangle, of which Cairo may be taken as the apex.

Port Said itself is situated on the long narrow spit of land that shuts in Lake Menzaleh from the Mediterranean. Through the shallow water of this lake the canal has been formed by dredging. This process has been so far completed that, for nearly one-third of the whole line proposed, a channel has been deepened through water "covering the earth." It is only at the southern point of Lake Ballah that the work of cutting through the dry and sandy soil of the Desert commenced. From this southern point of Lake Ballah an excavation, ten miles in length, has, Mr. HAWKENSHAW states, opened a channel navigable "for flat-bottomed boats of small draught of water" from the Mediterranean into Lake Timsah. On summing up, therefore, what has actually been accomplished, we find that such boats, adapted for very shallow water, can penetrate the isthmus from north to south for a distance of 50 miles from the sea, and of this distance 30 miles have been obtained by the process of dredging.

The second scheme undertaken by the company is independent of the first, and though called a "fresh water canal," is, more strictly speaking, only an aqueduct. It is not intended to be navigable as the term generally implies. It is better described as a large trench or cutting, for the purpose of conveying the water of the Nile from Cairo northward, curving to the east, through a tract of land purchased by the company, to Lake Timsah, before mentioned, and then southward to Suez. At present all the fresh water to be obtained at Suez is brought from Cairo by the railway. Large trains, conveying iron tanks filled from the river, are constantly passing along the line that conveys the passengers by the overland route, from sea to sea. The whole line of the proposed Ship Canal, from Suez to Port Said, runs either through the two salt water lakes on the Isthmus, the wide expanse of Menzaleh on the seacoast, or the soil of

the Desert, "a barren land, where no water is." Labor is impossible without a certain and abundant supply of this element, for the want of which travelers in similar arid regions have often perished. This aqueduct is, therefore, a work of necessity, if the larger undertaking is to be carried on. It will also be employed to irrigate such portions of the soil through which it passes as may be worth cultivating; and of this secondary purpose a beginning seems to have been made.

The portion of the Ship Canal still to be excavated is the whole of the line from Timsah, southward, through another large sheet of salt water called the "Bitter Lakes," and the Dessert that lies between them and the northern point of the Red Sea. This last section of the line will run parallel with the ancient canal, and a little to the eastward of it. The course of the old work can be traced, but no part of it has been taken into the modern scheme. The works of the new harbor will carry the canal through the water of the Red sea, past Suez and terminate near a point on the eastern or Arabian shore marked as the "Fountain of Moses."

It is scarcely necessary to say that the portion of the line described as completed and "navigable" is very far from the accomplishment of the object in view. What has to be done exceeds what has been finished in about the proportion a large heavily-freighted merchant ship bears to a "small flat-bottomed boat of small draught of water." In fact, the Suez Canal at present is a narrow and shallow cutting, marking out what is to be the course of an artificial channel that must be navigable for large ships of heavy burden, or be useless.

The seas on both sides of the Isthmus have nearly the same level, and as the soil along the whole line across it is strewed with shells common to the Red Sea and the Mediterranean, it is evident that at no distant period, geographically speaking, those seas spread over the desert track through which it is proposed to unite their waters again. But by far the greatest portion of the work has yet to be done. Without reference to the plans and sections by which the report is illustrated it is difficult to convey a clear idea of the proportions of what has to be excavated to what has been marked out by the cutting on land and the dredging through shallow water; but if the reader will suppose that the furrow drawn by a subsoil plow marks the course of what is to be enlarged into a ditch he will have a rough notion of the approximation of what exists compared with what is proposed. Nothing has yet been done between Suez and the northern end of Lake Timsah; and from that point northwards to the Mediterranean nearly five times the amount of work completed has yet to be executed. The earthwork done is estimated at 7,848,000 cubic yards; the amount still to be performed is 34,000,000 yards.

The sudden favor and renewed interest with which this undertaking is now being received arise from the fact that two obstacles which stood in the way of its accomplishment have just been removed. That is to say, the Viceroy of Egypt has ratified all the engagements entered into by his predecessor with the company, and regulated his account current with it; and, also, in consideration of the company abandoning to him its concession of lands on each side of the fresh water canal from Cairo to Abbasich, he has undertaken the execution of the said canal, and thereby saved the company 10,000,000*l*.

A few weeks ago it was announced that the works had come to a stand.

A dispatch from the Turkish Minister, published in the *Moniteur*, stated that the Sultan, as Suzerain, had refused his sanction to the concessions granted by the Pasha, unless forced labor were discontinued, the canal declared neutral, and the sovereign rights of the Company over certain lands—a mile broad on each side of the fresh water canal from Cairo to Said—were surrendered. As no great work in Egypt has ever been accomplished without forced labor—wages not tempting the Egyptian peasant to endure the risks which in such a country must be encountered by a household without its head—this dispatch seemed fatal to the undertaking. But M. DE LESSEPS appealed at once to the French Government, and, as the Suez Canal is a Napoleonic idea, a pressure was applied at Constantinople, to which the Porte felt himself obliged to succumb. A compromise was effected, and the Canal Company, on condition of surrendering its land—with compensation—was permitted to secure its usual quantity of labor. As the ruling Egyptian family is deeply interested in the undertaking, as Egyptian laborers are quite powerless to resist a system which has lasted from the time of the Pharaohs, and as the British Government will hardly expose itself to the risk of another defeat, the needful supply of labor may be considered as secured. Naturally the transaction was looked upon as a great triumph, and one great difficulty was thus removed; but the old questions—whether the canal could be made, whether it would cost more or less than the specified sum, whether if made it could be kept open, and whether, if made and kept open, it would fulfil its purpose—remained still unanswered.

These questions, however, seem now to have been finally settled in favor of the work. Said Pasha, the late ruler of Egypt, and in early life M. DE LESSEPS' pupil, began latterly to feel a degree of uneasiness about his very considerable stake in the undertaking. He, therefore, while in England, requested Mr. HAWKSHAW, the very eminent English engineer, to visit and report on the works. He did so, and his conclusion is favorable to the enterprise. He states that he sees no unusual difficulty in the execution of the plan, nor does he conceive that any contingencies can arise which engineering skill could not surmount; and, if completed, he thinks the canal could be maintained without any extraordinary yearly expenditure. But, considering the possibility of meeting with rock at the Red Sea entrance, and that the deep sea dredging at the Mediterranean end may cost more than the first estimate—considering also “the money already expended compared with the work done”—he thinks it would be prudent for the promoters of the scheme to calculate on having to expend 10,000,000*l.* sterling, and five years of labor, before they can expect the work to be finished.

Thus we see that not only has the difficulty of obtaining labor and fresh water been overcome, but also that one of the most eminent of English engineers has pronounced in favor of the feasibility of the work. Of course, success like this would naturally make the stockholders jubilant. The annual meeting was held in Paris, the latter part of July. It possessed all the importance of a political event, or at least of a political demonstration. M. FERDINAND DE LESSEPS, the Chairman of the Company, and, so to speak, its life and soul, was, on presenting himself, greeted with enthusiasm—the accounts presented were sanctioned with enthusiasm—the reports on the state of the works were enthusiastically applauded—and much “abuse of perfidious Albion for opposing the canal, and in

particular of the most perfidious of all Albioners, Lord PALMERSTON," which the said reports contained, was cheered until the roof shook. Rarely, perhaps never before, was a meeting of shareholders so very joyful and impassioned, especially when, as was the case with the Suez people, no dividend had to be announced. The meeting was informed that the capital disposable, including what is due on calls not yet paid, is not less than 140,000,000*fr.* (\$28,000,000), and that no new call will have to be made this year. As regards the works, it was stated that they were progressing in the most satisfactory manner, and with all possible rapidity, and that the execution of the canal, and the opening of it for navigation at a comparatively early period, admit of not the slightest doubt.

Here, then, is a field for NAPOLEON to expand. Let him spend his time and money on this canal and complete it, and he will add more glory to his administration than he can in meddling with one or a dozen Mexicos; for his canal may succeed, but his military despotic government on this side the water, never.

COMMERCIAL LAW. No. 7.

NEGOTIABLE PAPER; OR, NOTES OF HAND AND BILLS OF EXCHANGE.

THE CONSIDERATION OF NEGOTIABLE PAPER.

1. *Exception to the Common Law Rule, in the Case of Negotiable Paper.*—By the common law of England and of this country, as we have seen, no promise can be enforced, unless made for a consideration, or unless it be sealed. But bills and notes payable to order, that is, negotiable, are, to a certain extent, an exception to this rule. Thus, an indorsee cannot be defeated by the promisor showing that he received no consideration for his promise; because he made an instrument for circulation as money; and it would be fraudulent to give to paper the credit of his name, and then refuse to honor it. But as between the maker and the payee, or between indorser and indorsee, and, in general, between any two *immediate* parties, the defendant may rely on the want of consideration; that is, if an indorsee sues the maker, and the maker says he had no consideration for the note, this is no defence; but if the indorsee sues his indorser, and the indorser shows that the indorsee paid him nothing, this would be a good defence; and so it would be if the payee sued the maker. So, if a distant indorsee has notice or knowledge, when he buys a note, that it was made without consideration, he cannot recover on it against the maker, unless it was an accommodation note, or was intended as a gift. Thus, if A, supposing a balance due from him to B, gives B his negotiable note for the amount, and afterwards discovers that the balance is the other way, B cannot recover of A; nor can any third or more distant indorsee, who knows these facts before buying the note. But if A gives B his note wholly without consideration, for the purpose of lending him his credit, or for the purpose of making him a gift to the amount of the note, and C buys the note with a full knowledge of the facts, he will nevertheless hold A, although B could not. If the note was bought honestly for a fair price, we believe the buyer should

recover its whole amount, although some have said that he could recover only what he paid. Every promissory note imports a consideration, and none need be proved unless to rebut evidence of want of consideration.

If an indorser, sued by an indorsee, shows that the note was originally made in fraud, he may require the holder to prove consideration; but if this be proved, he must pay the whole of the note, unless he was himself defrauded by the plaintiff. And if an accommodation note be discounted in violation of the agreement of the party accommodated, the holder can still recover, provided he received the note in good faith, and for valuable consideration.

2. Of "*Value received*."—"Value received" is usually written, and therefore should be; but is not absolutely necessary. If not, it will be presumed by the law, or may be supplied by the plaintiff's proof. If expressed, it may be denied by the defendant, and disproved. And if a special consideration be stated in the note, the defendant may prove that there was no consideration, or that the consideration was different. If "*value received*" be written in a note, it means received by the maker from the payee; if the note be payable to the bearer, it means received by the maker from the holder. In a bill, this phrase means that the value was received from the payee by the drawer. But if the bill be payable to the drawer's own order, then it means received by the acceptor from the drawer.

3. *What the Consideration may be.*—A valuable consideration may be either any gain or advantage to the promisor, or any loss or injury sustained by the promisee at the promisor's request. A previous debt, or a fluctuating balance, or a debt due from a third person, might be a valuable consideration. So is a *moral* consideration, if founded upon a previous legal consideration; as, where one promises to pay a debt barred by the statute of limitations, or by infancy. But a merely moral consideration, as one founded upon natural love and affection, or the relation of parent and child, is no legal consideration.

No consideration is sufficient in law if it be *illegal* in its nature; and it may be illegal because, first, it violates some positive law, as, for example, the Sunday law, or the law against usury. Secondly, because it violates religion or morality, as an agreement for future illicit cohabitation, or to let lodgings for purposes of prostitution, or an indecent wager; for any bill or note founded upon either of these would be void. Thirdly, if distinctly opposed to public policy; as an agreement in restraint of trade, or injurious to the revenue, or in restraint of marriage, or for procurement of marriage, or suppressing evidence, or withdrawing a prosecution for felony or public misdemeanor. But one who sells goods, only *knowing* that an illegal use is to be made, without any personal aid in the illegal purpose, may, it seems, recover the price of them, on a note given for that price.

THE RIGHTS AND DUTIES OF THE MAKER.

The maker of a note or the acceptor of a bill is bound to pay the same at its maturity, and at any time thereafter, unless the action be barred by the statute of limitations, or he has some other defence under the general law of contracts. As between himself and the payee of the note or bill, he may make any defences which he could make on any debt arising from simple contract; as want or failure of consideration; payment, in whole or in part;

set-off; accord and satisfaction; or the like. The peculiar characteristics of negotiable paper do not begin to operate, so to speak, until the paper has passed into the hands of third parties. Then, the party liable on the note or bill can make none of these defences, unless the time or manner in which it came into the possession of the holder lays him open to these defences. But the law on this subject may better be presented in our next section.

THE RIGHTS AND DUTIES OF THE HOLDER OF NEGOTIABLE PAPER.

1. *What a Holder may do with a Bill or Note.*—An indorsee has a right of action against all whose names are on the bill when he received it. And if one delivers a bill or note which he ought to indorse and does not, the holder has an action against him for not indorsing, or may proceed in a court of equity to compel him to indorse. If a bill comes back to a previous indorser, he may strike out the intermediate indorsements and sue in his own name, as indorsee; but he has, in general, no remedy against the intermediate parties, because, if he made them pay as indorsers to him, they would make him pay as indorser to them. If, however, the circumstances are such that *they*, if compelled to pay, would have no right against him as an indorser to them, as, for example, if he indorsed it "without recourse," then he may have a claim against them. And it seems now to be settled that an indorser who comes again into possession of the note or bill is to be taken, merely on the evidence of his possession, as the holder and proprietor of the bill, unless the contrary is made to appear.

The holder of a bill indorsed and deposited with him for collection, or only as a trustee, can use it only in conformity with the trust. And if the indorsement express that it is to be collected for the indorser's use, or use any equivalent language, this is notice to any one who discounts it; and the party discounting the paper against this notice will be obliged to deliver the note, or pay its contents, if collected, to the indorser. Thus, Mr. SIGOURNEY, a merchant in Boston, remitted to WILLIAMS, a London banker, for collection, a bill of exchange indorsed by him, and over his name was written, "Pay to WILLIAMS or order for my use." WILLIAMS had the bill discounted for his benefit by his bankers, and failed; and the English court held that the indorsement showed that the bill did not belong to WILLIAMS, and that the discounters had no right to discount it for him; and they were obliged to repay all the proceeds of it to SIGOURNEY.

2. *A Transfer after Dishonor of Negotiable Paper.*—So long as a note remains due, everybody has a right to believe that it has not been paid, and will be paid at maturity, and may purchase it in that belief. But as soon as it is overdue, every person must know that it is either paid, and so extinguished, or that it has not been paid, and therefore dishonored, and that there may be good reasons why it was not paid, or good defences against it. He therefore now takes it at his own peril; and therefore a holder who took the note after it became due is open to many of the defences which the promisor could have made against the party from whom the holder took it; because, having notice that the bill or note is dishonored, he ought to have ascertained whether any, and, if so, what defence could be set up.

So, too, if he takes the note or bill *before* it is due, but with notice or

knowledge of fraud or other good defence, that defence may be made against him. Otherwise, no defence can be made against one who becomes an indorsee for consideration, which does not spring out of the relations between himself and the defendant. That is, if an indorsee sues his indorser, the indorser may make any defence which he could make if the suit were not on a negotiable note. But if an indorsee sues a maker, the maker may have a good defence against the indorser which he cannot make against the indorsee, because the defence may not grow out of anything passing between the maker and the indorsee. Thus, if A makes a note to B or order, which B somehow defrauds A out of, B cannot of course sue A upon it. But if B indorses the note for value to C, and C to D, and D to E, and so on, any one of these indorsees who does not know the fraud can recover the amount of it from A. But no one of them, who had notice or knowledge of the fraud before he bought the note, can sue A upon it any more than B could.

Nor is an indorsee liable to such defences as arise out of collateral matters; but only to those which attach to the note or bill itself. Thus, if A makes a note to B or order, for one thousand dollars, payable in six months, and three months after it is due, and unpaid, C buys the note from B, and sues A upon it, if A proves that B owes him a thousand dollars for goods sold, or for any other transaction distinct from the note, A cannot make this defence against C, because it does not grow out of the note itself; although he could have made this defence if B had sued him. But if A could prove that he had paid B *on this note* five hundred or a thousand dollars, he could make this defence as well against C as against B, if B bought the note after it was dishonored. Hence, it is said the indorsee of a dishonored note is not liable to a set-off between the original payee and the maker.

In some of our States it is held that, if a maker of a note pays money on it after it is due, he cannot have the benefit of this payment against one who purchases the note after it is due without knowledge of the payment, unless he caused the payment to be indorsed upon the note; because it is his duty to see that this indorsement is made, in order to put purchasers of the note on their guard. Nor is the mere want of consideration between payee and maker one of those defences to which a purchaser for value after dishonor, even with notice, is liable, provided the bill or note was originally intended to be without consideration, as in the case of an accommodation bill or note, or one intended as a gift. But it seems that, if a bill or note be delivered as security for a balance on a running account, and, when it becomes due, the balance is in favor of the depositor, who does not withdraw the bill, but leaves it where it was, and afterwards the balance becomes against the depositor, the holder may still hold it to secure the balance, and will not be regarded as the transferee of an overdue bill. In the absence of any evidence on the point, the presumption of law is, that the bill was transferred to any present holder before maturity. And a promissory note payable on demand is considered as intended to be a continuing security, and therefore as not overdue, unless very old indeed, without some evidence of demand of payment and refusal. But it is not so with a check; for this should be presented without unreasonable delay, and, although a taker after one day's delay may not be affected, nor a taker after six days be held as conclusive evidence of negligence or fraud, yet the jury may infer this, so that the drawer will not be held if the bank have failed.

It is most important to the holder of negotiable paper to know distinctly what his duties are in relation to presentment for acceptance or payment, and notice to others interested in case of non-acceptance or non-payment.

3. *Presentment for Acceptance.*—It is always prudent for the holder of a bill to present it for acceptance without delay; for if it be accepted, he has new security; if not, the former parties are immediately liable; and it is but just to the drawer to give him as early an opportunity as may be to withdraw his funds or obtain indemnity from a debtor who will not honor his bills. And if a bill is payable at sight, or at a certain period after sight, there is not only no right of action against anybody until presentment, but, if this be delayed beyond a reasonable time, the holder loses his remedy against all previous parties. And although the question of reasonable time is generally one only of law, yet, in this connection, it seems to be treated as so far a question of fact, that it is submitted to the jury; there is no certain rule determining what is reasonable time in this respect. If a bill of exchange be payable on demand, it is not like a promissory note, but must be presented within a reasonable time, or the drawer will be discharged. A holder may put a bill payable after sight into circulation, without presenting it himself; and in that case, if a subsequent holder presents it, a much longer delay in presentment would be allowed than if the first holder had kept it in his own possession.

The presentment should be made during business hours; but it is said that in this country they extend through the day and until evening, excepting in the case of banks. But a distinct usage would probably be received in evidence, and permitted to affect the question.

Ill health, or actual impediment without fault, may excuse delay on the part of the holder; but not the request of the drawer to the drawee not to accept.

Presentment for acceptance should be made to the drawee himself, or to his agent authorized to accept. And when it is presented, the drawee may have a reasonable time to consider whether he will accept, during which time the holder is justified in leaving the bill with him. And it seems that this time would be as much as twenty-four hours, unless, perhaps, the mail goes out before. And if the holder gives more than twenty-four hours for this purpose, he should inform the previous parties of it. If the drawee has changed his residence, the holder should use due diligence to find him; and what constitutes due or reasonable diligence is a question of fact for a jury. And if he be dead, the holder should ascertain who is his personal representative, if he has one, and present the bill to him. If the bill be drawn upon the drawee at a particular place, it is regarded as dishonored if the drawee has absconded, so that the bill cannot be presented for acceptance at that place.

4. *Presentment for Demand of Payment.*—The next question relates to the duty of demanding payment; and here the law is much the same in respect to notes and bills.

The universal rule of the law-merchant is, that the indorsers of negotiable paper are supposed to agree to pay it *only* if the maker or previous indorsers do not, and *provided* due measures are taken to get it paid by those who ought, in the first place, to pay it. Therefore every holder of negotiable paper can hold it as long as he likes, and not lose his claim against the *maker* of a note, or the *acceptor* of a bill, unless he holds it more than six

years, and the Statute of Limitations bars his claim. The reason is, that the maker or acceptor promises *directly*, and not merely to pay if another does not. But every indorser of a note or bill, and every drawer of a bill, only promises to pay if a maker or acceptor or some previous indorser does not. If there is a bill of exchange with six indorsers, the last promises in law to pay it only if the acceptor, the drawer, and the five previous indorsers do not pay. He has therefore a right that a demand according to law should be made against every one of these persons, and that their refusal to pay should be notified to him, forthwith, so that he may secure himself if he can. And the law-merchant is very rigorous and precise in defining what demand should be made by the holder, and when and how demand should be made on every *prior* party, in order to hold any *subsequent* party; and also as to what notice of the demand and refusal of the *prior* party should be given to any *subsequent* party to whom the holder looks for payment.

A demand is sufficient, if made at the usual residence or place of business of the payer, either of himself, or of an agent authorized to pay; and this authority may be inferred from the habit of paying, especially in the case of a child, a wife, or a servant. The demand should not be made in the street. When made, the bill or note should be exhibited; and if lost, a copy should be exhibited, although this does not seem absolutely necessary. And when the payer calls on the holder, and declares to him that he shall not pay, and desires him to give notice to the indorsers, this constitutes demand and refusal, provided this declaration be made at the maturity of the paper; but not if it was made before maturity, because the payer may change his intention.

Bankruptcy or insolvency of the payer is no excuse for non-demand; although the shutting up of a bank, perhaps, may be regarded as a refusal to all their creditors to pay their notes. Absconding of the payer is a sufficient excuse; but if the payer has shut up his house, the holder must nevertheless inquire after him, and find him, if he can by proper efforts. If the payer be dead, demand should be made at his house, unless he have personal representatives, and in that case, of them. And if the holder die, presentment should be made by his personal representatives; that is, by his executor or administrator. It is said that both the death and insolvency of the payer do not relieve the holder from the duty of demanding payment. But it seems to be held in one case that, where the maker of a negotiable note was dead at the time the indorsement was made, the indorser was chargeable without demand on the maker.

If the drawer has no effects in the hands of the drawee, and has made no arrangement equivalent to having effects there, non-presentation for payment is not a defence which he can make if sued on the bill.

Impossibility of presenting a bill for payment, without the fault of the holder, as the actual loss of a bill, or the like, will excuse some delay in making a demand for payment; but not more than the circumstances require. And the mere mistake of the holder is no excuse, because he has no right to make mistakes at the expense of other people. Thus, where a bill of exchange payable in London was sent by the mistake of the holder in Birmingham to Liverpool, for payment, and there the mistake was discovered and the bill was sent to London, and would have arrived in season, but the negligence of the clerks in the post-office at Liverpool delayed it two days; it was held by the court, that neither the mistake of the holder nor

the negligence of the clerks was excuse enough, and the acceptor having failed, the indorsers were discharged.

In this country, all negotiable paper payable at a time certain is entitled to grace, which here means three days' delay of payment, unless it be expressly stated and agreed that there shall be no grace; and a presentment for payment before the last day of grace is premature, the note not being due until then. If the last day of grace falls on a Sunday, or on a legal holiday, the note is due on the Saturday, or other day before the holiday. But if there be no grace, and the note falls due on a Sunday, or other holiday, it is not payable until the next day.

Generally, if a bill or note be payable in or after a certain number of days from date, sight, or demand, in counting these days, the day of date, sight, or demand is excluded, and the day on which it falls due included. And we think the law would supply the word "*from*," &c., if the word were not used. Thus, a note dated January 1, and payable in "twenty days," would be held payable in twenty days (and three days' grace) *after* the day of the date; that is, on the 24th. If a note is made payable in one or more months, this means calendar months, whether shorter or longer. If made on the 13th of December, and payable in two months, it is payable on the 13th of February and grace, that is, on the 16th. But if so many days are named, they must be counted, whether they are more or less than a month. Thus, if the above note were payable in sixty days, it would be due on the 11th and grace, or on the 14th of February. If dated 13th January, and payable in sixty days, it would be due on the 14th of March, with grace, or on the 17th.

Although payment must be demanded promptly, that is, on the day on which it is due, it need not be done instantly; a holder has all the business part of the day in which the bill or note falls due to make his demand in.

Bills and notes payable on demand should be presented for payment within a reasonable time. If said to be "on interest," this strengthens the indication that they were intended to remain for a time unpaid and undemanded. But to hold indorsers, they should still be presented within whatever time circumstances may make a reasonable time; and this is such a time as the interests and safety of all concerned may require; and it may be a few days, or even one or two weeks. A bill or note in which no time of payment is expressed, is held to be payable on demand. And evidence to prove it otherwise is inadmissible.

The holder of a check should present it at once; for the drawer has a right to expect that he will; it should, therefore, be presented, or forwarded for presentment, in the course of the day following that in which it was received, or, upon failure of the bank, the holder will lose the remedy he would otherwise have had against the person from whom he receives it. If the drawer of the check had no funds, he is liable always.

Every demand of payment should be made at the proper place, which is either at the place of residence or of business of the payer, and within the proper hours of business. If made at a bank after hours of business, if the officers are there, and refuse payment for want of funds, the demand is sufficient.

A note payable at a particular place should be demanded at that place; and a bill drawn payable at a certain place should be demanded there, in order to charge antecedent parties; an action, however, may be maintained against the maker or acceptor without such demand; but the defendant

may discharge himself of damages and costs beyond the amount of the paper, by showing that he was ready at that place with funds. If a bill drawn payable generally be accepted payable at a particular place, we think the holder may and should so far regard this as non-acceptance, that he should protest and give notice. But if this limited acceptance is assented to and received, it must be complied with by the holder, and the bill must be presented for payment at that place, or the antecedent parties are discharged.

If payable at a banker's or at the house or counting-room of any person, and such banker or person becomes the owner at maturity, this is demand enough; and if there are no funds deposited with him for the payment, this is refusal enough. If any house be designated, a presentment to any person there, or at the door if the house be shut up, is enough.

If this direction be not in the body of the note, but added at the close, or elsewhere, as a memorandum, it is not part of the contract, and should not be attended to.

If the payer has changed his residence, he should be sought for with due diligence; but if he has absconded, this is an entire excuse for non-demand.

Where a bill or note is not presented for payment, or not presented at the time, or to the person, or in the place, or in the way, required by law, all parties but the acceptor or maker are discharged, for the reasons before stated.

5. Protest and Notice.—If a bill of exchange be not accepted when properly presented for that purpose, or if a bill or note, when properly presented for payment, be not paid, the holder has a further duty to perform to all who are responsible for payment. But this duty differs somewhat in the case of a bill or note. In case of non-payment of a *foreign* bill, there should be a regular protest by a public notary; but this, though frequently practiced, is not necessary in the case of an inland bill, or a promissory note, whether foreign or inland. But notice of non-payment should be given to all antecedent parties, equally, and in the same way, in the case of both bills and notes.

The demand and protest must be made according to the laws of the place where the bill is payable. It should be made by a notary-public, who should present the bill himself; but if there be no notary-public in that place, or within reasonable reach, it may be made by any respectable inhabitant in the presence of witnesses.

The protest should be noted on the day of demand and refusal; and may be filled up afterwards, even, perhaps, so late as at the trial.

The loss of a bill is not a sufficient excuse for not protesting it. But a subsequent promise to pay is held to imply, or be equal to, a previous protest and notice.

The notarial seal is evidence of the dishonor of a foreign bill; but not, it would seem, of an inland bill. And no collateral statement in the certificate is evidence of the fact therein stated; thus, the statement by a notary that the drawee refused to accept or pay because he had no funds of the drawer, is no evidence of the absence of such funds.

We repeat, that the general, and, indeed, universal duty of the holder of negotiable paper is, to give notice of any refusal to accept a bill or pay a bill or note to all antecedent parties. The reasons of this have been stated. These previous parties have engaged that the party who should accept or pay will do so; and they have further engaged that, if he refuses to do his

duty, they will be liable in his stead to the persons injured by his refusal. They have a right to indemnity or compensation from the party for whom they are liable, and to such immediate notice of his failure as shall secure to them an immediate opportunity of procuring this indemnity or compensation if they can. Nor is the question what notice this should be, left to be judged of by the circumstances of each case; for the law-merchant has certain fixed rules applicable to all negotiable paper.

Notice must given even to one who has knowledge. No particular form is necessary; it may be in writing, or oral; all that is absolutely essential is, that it should designate the note or bill with sufficient distinctness, and state that it has been dishonored; and also that the party notified is looked to for payment; but it has been held that the notice to the party, when given by the immediate holder of the bill, sufficiently implies that he is looked to. And notice of protest for non-payment is sufficient notice of demand and refusal. How distinctly the note or bill should be described, cannot be precisely defined. It is enough if there be no such looseness, ambiguity, or misdescription as might mislead a man of ordinary intelligence; and if the intention was to describe the true note, and the party notified was not actually misled, this would always be enough. The notice need not state for whom payment is demanded, nor where the note is lying; and even a misstatement in this respect may not be material, if it do not actually mislead.

No copy of the protest need be sent; but information of the protest should be given.

If the letter be properly put into the post-office, any miscarriage of the mail does not affect the party giving notice. The address should be sufficiently specific. Only the surname—as “Mr. AMES”—especially if sent to a large city, might not, in general, be enough; thus, in an English case, where a letter, directed “Mr. HAYNES, Bristol,” containing notice of the dishonor of a bill, was proved to have been put into the post-office, it was held that this was not sufficient proof of notice; the direction being too general to raise a presumption that the letter reached the particular individual intended. But where a party drew a bill, dating it generally “London,” it was held that proof that a letter containing notice of the dishonor of the bill was put into the post-office addressed to the drawer at “London,” was evidence to go to the jury that he had due notice of dishonor; because, if the party chooses to draw a bill, and date it so generally, it implies that a letter sent to the post-office, and directed in the same way, will find him. And if a letter, however generally directed, can be shown to have reached the right person at the right time, it is sufficient. The postmarks are strong evidence that the letter was mailed at the very time these marks indicate; but this evidence may be rebutted, that is, contradicted.

A notice not only may, but should, be sent by the public post. It may, however, be sent by a private messenger; but is not sufficient if it do not arrive until after the time at which it would have arrived by mail. It may be sent to the town where the party resides, or to another town, or to a more distant post-office, if it is clear that he may thereby receive the notice earlier. And if the notice is sent to what the sender deems, after due diligence, the nearest post-office, this is enough. If the parties live in the same town, notice should not be sent by mail. In a case in Massachusetts, the court said, the general rule certainly is, that, when the indorser resides in the same place with the party who is to give the notice, the notice must

be given to the party personally, or at his domicile or place of business. Perhaps a different rule may prevail in London, where a penny post is established and regulated by law, by which letters are to be delivered to the party addressed, or at his domicile or place of business, on the same day they are deposited. And perhaps the same rule might not apply where the party to whom notice is to be given lives in the same town, if it be at a distant village or settlement where a town is large, and there are several post-offices in different parts of it. But in that case, the defendant had his residence and place of business in the city of Bangor, and the only notice given him was by a letter addressed to him at Bangor, and deposited in the post-office at that place. And this was insufficient to charge him as indorser.

The notice should be sent either to the place of business, or to the residence, of the party notified. But if one directs a notice to be sent to him elsewhere than at home, it seems that it may be so sent, and bind not only him, but prior parties, although time is lost by so sending it.

The notice should be sent within reasonable time; and in respect to negotiable paper, the law-merchant defines this within very narrow limits. If the parties live in the same town, notice must be given or sent so that the party to whom it is sent may receive the notice in the course of the day next after that in which the party sending has knowledge of the fact. If the parties live in different places, the notice must be sent as soon as by the first practicable mail of the next day.

Each party receiving notice has a day, or until the next post after the day in which he receives it, before he is obliged to send the notice forward. Thus, if there be six indorsers, and the note is due on the 10th of May, in New York, and is then demanded and unpaid, the holder may send it by any mail which leaves New York on the 11th of May, to the last indorser, wherever he lives; and that indorser may send it to the indorser immediately before him, by any mail on the day after he receives it; and so may each of the parties receiving notice; and all the parties receiving notice in this way will be held. So, too, a banker, with whom the paper is deposited for collection, is considered a holder, and entitled to a day to give notice to the depositor, who then has a day for his notice to antecedent parties. The different branches of one establishment have been held distinct holders for this purpose, and each to be entitled to a day.

If notice be sent by ship, it is said that it may be delayed until the next regular ship; but this is not quite certain; or, rather, the rule can hardly as yet be considered fixed and definite. It should be sent by the first safe opportunity.

Neither Sunday nor any legal holiday is to be computed in reckoning the time within which notice must be given.

There is no presumption of notice; and the plaintiff must prove that it was given, and was sufficient. Thus, proving that it was given in "two or three days," is insufficient, if *two* would have been right, but *three* not.

Notice should be given only by a party to the instrument, who is liable upon it, and not by a stranger; and it has been held that notice could not be given by a first indorser, who, not having been notified, was not himself liable. A notice by any party liable will operate to the benefit of all antecedent or subsequent parties; that is, will hold them all to the original holder of the note, if the original holder gave notice properly to the party near-

est to him.* The notice may be given by any authorized agent of a party who could himself give notice.

Notice must be given to every antecedent party who is to be held. And we have seen that this may be given by a holder to the first party, liable, and by him to the next, &c. But the holder may always give notice to all antecedent parties; and it is always prudent, and in this country, we believe, quite usual, to do so. For the holder loses all remedy against all those who are discharged by the failure of any one receiving notice to transmit it properly. But if a holder undertakes to notify *all* the antecedent parties, he must notify all as soon as he was obliged to notify the party nearest to him; that is, the day after the dishonor of the note. We mean by this, that every party has a *day*; so that, if there be six indorsers, if the first indorser is notified on the seventh day from the dishonor, it is enough, if the holder took his day to notify the sixth indorser, and that indorser his day to notify the fifth, and so on. But the holder has nobody's day but his own; and if he undertakes to notify all the parties, he must notify them all on the first day after the non-payment.

Notice may be given personally to a party, or to his agent authorized to receive notice, or left in writing at his home or place of business. If the party to be notified is dead, notice should be given to his personal representatives. A notice addressed to the "legal representative of," &c., and sent to the town in which the deceased party resided at his death, has been held sufficient. But a notice addressed to the party himself, when known to be dead, or to "the estate of," &c., would not be of itself sufficient, but might become so with evidence that the administrator or executor actually received the notice.

If two or more parties are jointly liable on a bill as partners, notice to one is enough.

One transferring by delivery without indorsement a note or bill payable to bearer, is not generally entitled to notice of non-payment, because, generally, he is not liable to pay such paper; but if the circumstances of the case are such as to make him liable, then he must have notice, but is entitled not to the exact notice of an indorser, but only to such reasonable notice as is due to a guarantor. If, for instance, the paper was transferred as security, or even in payment of a pre-existing debt, this debt revives if the bill or note be dishonored; and therefore there must be notice given of the dishonor. In general, a guarantor of a bill or note, or debt, is not entitled to such strict and exact notice as an indorser is entitled to, but only to such notice as shall save him from actual injury; and he cannot make the want of notice his defence, unless he can show that the notice was unreasonably withheld or delayed, and that he has actually sustained injury from such delay or want of notice. If an indorser give also a bond, or his own note, to pay the debt, he is not discharged from his bond or note by want of notice.

In general, all parties to negotiable paper, who are entitled to notice, are discharged by want of notice. The law presumes them to be injured, and does not put them to proof. It has been held, however, that the drawer of a check not notified of non-payment is thereby discharged only to the extent of the loss which he actually sustains.

If one who is discharged by want of notice nevertheless pays the bill or note, he may call upon the antecedent parties, if due notice has been given to *them*, and if, by taking up the paper, *he* acquires the rights of the hold-

er; or if he, having been indorsee, indorsed the paper over; for he is then remitted (or restored) to his rights and position as indorsee.

The right to notice may be waived by any agreement to that effect prior to the maturity of the paper. It is quite common for an indorser to write, "I waive notice," or, "I waive demand," or some words to this effect. It should, however, be remembered, that these rights are independent, and one does not imply the other. A waiver of demand may imply a waiver of notice of non-payment; but a waiver of notice of non-payment certainly does not imply a waiver of demand; therefore, if an indorser writes on the note, "I waive notice," still he will be discharged if there be not a due *demand* on the maker. So if a drawer countermands his order, the bill should still be presented, but notice of dishonor need not be given to the drawer. Or, if a drawer has no funds, and nothing equivalent to funds, in the drawee's hands, and would have no remedy against the drawee or any one else, as the drawer cannot be prejudiced by want of notice, it is not necessary to give him notice. But the indorser must still be notified; and a drawer for the accommodation of the acceptor is entitled to notice, because he might have a claim upon the acceptor.

If a drawer make a bill payable at his own house, or counting-room, this has been said to be evidence to a jury that the bill was drawn for his accommodation, and that he expects to provide for the payment, and is not entitled to notice of dishonor; but it would be safer to give notice.

Actual ignorance of a party's residence justifies the delay necessary to find it out, and no more; and after it is discovered, the notifier has the usual time.

Death, or severe illness, of the notifier or his agent, is an excuse for delay; but the death, bankruptcy, or insolvency of the drawee is no excuse.

As the right to notice may be waived before maturity, so the want of notice may be cured afterwards by an express promise to pay; and an acknowledgment of liability, or a payment in part, is evidence, but not conclusive evidence, of notice; the jury *may* draw this conclusion from part payment, but are not *bound* to, even if the evidence be not rebutted. If the promise be conditional, and the condition be not complied with, the promise has been held to be still evidence. Nor is it sufficient to avoid such promise, that it was made in ignorance of the law; it must be made, however, with a full knowledge of the facts. The following distinction seems to be drawn; if the fact of neglect to notify appears, the party entitled to notice is not bound by his subsequent promise, unless it was made with a knowledge of the neglect; but if the fact of neglect does not appear, the subsequent promise will be taken as evidence that there was no neglect, but sufficient notice. And a promise to pay, made in expectation of the dishonor of a bill or note, will be construed as a promise on condition of usual demand and notice, and, of course, does not waive them. And, as we have remarked, no waiver of any right growing out of any other previous negligence or omission to perform some duty, can affect any party but him who makes the waiver.

COMMERCIAL CHRONICLE AND REVIEW.

GENERAL BUSINESS—RISE IN STOCKS—PRICES OF ARTICLES—RESTRICTIONS ON GOLD—STOCKS IN LONDON—COMPARATIVE VALUES—IMPORTS GOODS—INCREASED COST—GENERAL CAUSE—NEW ISSUES—NEW BANKS—FIVE PER CENT LEGAL TENDER—RISE IN CERTAIN PRICES—COAL—REPORTS—LOSSES ON PRODUCE—GENERAL STATE OF TRADE—MOVEMENT OF SPECIE—DECLINE IN BANK RESERVE—RATES OF EXCHANGE—MONEY—UNITED STATES STOCKS.

The general activity of business that we noted as apparent last month has continued with considerable animation during the one which has now elapsed, and at the same time speculative tendencies, in many branches of merchandise, have been developed. The stock speculations, which had reached so high a point in August, have to some extent subsided, apparently through the impression that their values were exaggerated above those of most commodities. It was certainly the case that the high point which prices touched in August, at a time specie was at a very low point, caused a considerable importation of stocks from London, where they ruled much lower than could be realized for them in New York in specie. The same tendency caused an accumulation of securities in New York, while at the same time an active demand for merchandise sprang up, the prices for which rose very considerably.

By referring to our number of February last, our readers will find a table of fifty-five articles, of which the comparative prices are given from the *Prices Current*, January 1st, 1862, and January, 1863, as compared with the price of gold. Bringing the table down to the present time, at different dates, and adding the quantity of Government paper outstanding, the results will be as follows:

	Gold.	Total prices of 55 articles.	Rise per cent.	U. S. paper outstanding.
January, 1862.....	Par.	804		26,780,110
April, 1862.....	1½	844	5	145,880,000
January, 1863.....	32	1,312	62	238,021,315
March, 1863.....	54	1,524	90	345,553,500
July, 1863.....	25	1,323	65	396,681,956
October, 1863.....	50	1,455	81	446,000,000

The prices of these articles have been governed by the values in paper, and those which form the exports of the country have been sold at specie prices abroad, but the bills drawn against them are sold for the Government paper. This business has been perfectly unrestrained, while that in gold has been subjected to restrictions imposed by Congress as well as by the State government. Those restrictions were designed to prevent a speculative holding of gold, and not to check its free exportation. Inasmuch, however, as the money under the law could not be borrowed on the gold, it was difficult to hold it. The prices may be supposed, therefore (as was the design of the law), to be less than it would have been without those restrictions. It is obvious that where the paper declines in value, it operates alternately upon commodities and gold. When the latter is in active demand the price rises. This rise causes exchange bills to sell higher, acting as a premium upon the export of produce, which,

being shipped, of itself checks the export of gold, and therefore lessens the demand for it. On the other hand, when gold falls in value it operates as a check upon exports and as a premium upon imports. In illustration, we give a table of the prices of stocks in London and New York, at different dates:

	London.				New York.			
	U. S. 6's.	5's.	Erie.	Central.	U. S. 6's.	Erie.	Central.	Exchange. Gold.
March 28	70	58	42	65	104	80	119	170 55
June.	79	61	60	72	108	95	122	160 46
July 4.	67	58	69	72	105	99	120	147 25
August 22.	77	69	76	86	107	120	132	185 22½
September 12..	77	69	85	93	107	101	130	143 30
“ 26..	75	68	73	88	106	106	133	154 40
October 8	75	65	69	87	108½	109	134	172 56

Thus, in March New York Central was 65 in London, at which date advices there from New York gave gold 72 and exchange 89; consequently the price in New York should have been 121 to be equal to the London price of 65, at the then rate of exchange; but gold fell to 122½ in August, giving exchange 135, which was equal to 100 for Central in London, or a rise of 35 per cent, through the improvement in the value of the paper which constitutes the currency. As a consequence, the London and other markets were stripped of stocks to sell in New York.

The following table will show the relative prices of stocks in New York and London at different rates of exchange:

London.	New York, with exchange at—											
	125	130	135	140	145	150	155	160	165	170	175	180
60.....	75	78	81	84	87	90	93	96	99	102	105	108
65.....	81½	84½	87½	91	94½	97½	100½	104	107½	110½	113½	117
70.....	87½	91	94½	98	101½	105	108½	112	115½	119	122½	126
75.....	93½	97½	101½	105	108½	112½	116½	120	123½	127½	131½	135
80.....	100	104	108	112	116	120	124	128	132	136	140	144
85.....	106½	110½	114½	119	123½	127½	131½	136	140½	144½	152½	157
90.....	112½	117	121½	126	130½	135	139½	144	148½	153	157½	162
95.....	118½	123½	128½	133	137½	142½	147½	152	156½	161½	166½	171
100.....	125	130	135	140	145	150	155	160	165	170	175	180

Thus, if Erie is selling at 85 in London, the relative price of the same in New York, with sterling exchange at 150, would be 127½; or, if United States 7-30's, payable in gold, are in New York 107½, with exchange at 165, the equivalent in London is 65 cents per dollar, which gives an interest in gold of over 11 per cent per annum. The rate of exchange always follows that of gold, and is found by adding the premium on gold to the premium of the bills in gold. Thus, a shipment of gold produces 110½ as the price of exchange. If gold is 50 per cent premium, 50 per cent must be added to the premium, which, being 55.12, makes the exchange 165.37½.

This operation of the fluctuation of the paper values applies to all commodities, and, as a consequence, a rapid fall in gold is followed by large importations and a corresponding export of gold to pay for them. The fall in gold in August was, therefore, followed by increased importations of stocks and goods and increased sales from warehouses, while shipments of produce were involved in loss. The importations at the port of New York for the month of September, were as follows:

IMPORTS, PORT OF NEW YORK.

	Specie.	Free goods.	Entered for—		Total.
			Consumption.	Warehouse.	
January.....	\$101,906	\$2,418,649	\$8,741,227	\$4,482,794	\$15,739,676
February.....	213,971	788,561	7,372,589	3,667,775	12,037,846
March.....	123,616	1,828,806	11,461,572	3,464,530	16,870,524
April.....	107,061	1,828,218	9,493,830	6,466,208	17,885,315
May.....	197,217	710,021	7,980,281	5,487,404	14,324,923
June.....	109,997	780,963	6,328,581	5,877,885	12,597,426
July.....	182,245	683,880	9,080,210	4,227,265	14,173,600
August.....	113,877	509,781	10,004,580	4,409,891	15,038,129
September.....	78,281	786,864	11,203,535	3,431,310	15,499,940
Total 9 months	\$1,288,121	\$9,325,881	\$81,666,355	\$45,827,510	\$137,547,817
" 1862....	945,577	18,809,755	82,825,172	35,475,891	137,856,895

The quantities taken out of warehouse in the last sixty days have greatly exceeded the entries. The quantities put upon the markets have been, therefore, much greater than the figures for the arrivals. The absorption of these goods by the retailers and consumers has been very active, as well in consequence of the previous great economy in consumption, which left the public bare of goods, as by reason of the increasing cost of labor and materials, which make the cost of manufactures higher and the rise in exchange and gold, which so rapidly swell the cost of importation. The great general cause which underlies this rise, is the increasing abundance of paper. As seen in the above table, there is on the part of the Government now outstanding \$446,000,000. Besides this, there will be emitted in November \$50,000,000 of five per cent legal tender small notes, which were sold to the banks last month. The question has been raised whether these notes will increase the currency or be taken for investment. It is very probable that they will have both effects. The associated and other banks hold some \$50,000,000 of "greenbacks" in reserve. These will be supplanted by the new notes, because the latter bear interest. The \$50,000,000 reserves thus released will come more actively into circulation. During the month the New York Court of Appeals has decided in substance that the banks are not held to payments in specie under the New York constitution. The consequence of this is seen in the bank tables on another page, where the circulation, after a long period of contraction, has begun to expand. The new banks, under the national banking law, now amount to 105 in number, and are about to receive their circulating notes from the controller. These will be about \$12,000,000, and will rapidly increase. The old country banks are also expanding their circulation to meet that demand for currency, which, by a sort of paradox, always attends rising prices, caused by redundant circulation. From these three sources, therefore—new legal tenders, new banks, and old banks—the circulation is in process of expansion, and consequently all prices are advancing. We may quote several here :

	Coal.	Sugar, 100 lbs.	Coffee, 100 lbs.	Iron, pig.	Copper.	Pork.	Corn.	Wheat.
January, 1862...	\$4 25	\$6 87	\$17 25	\$21 00	\$22 50	\$12 00	63	\$1 26
April, 1862.....	4 50	6 87	20 50	21 00	23 00	13 25	60	1 30
January, 1863...	7 00	8 25	28 00	31 00	32 50	14 25	81	1 50
March, 1863.....	7 50	9 25	29 00	35 00	33 00	14 00	90	1 62
July, 1863.....	8 00	10 25	29 00	35 50	32 00	14 25	68	1 25
October 20, 1863.	10 00	10 87	32 00	36 00	34 00	16 25	1 00	1 28

Many other articles are now held for an advance. All are affected by different circumstances, but primarily by the same cause. Coal, as an instance:

The quantity mined this year to date, is.... tons	7,657,526
Last year.....	6,212,865
Increase.....	1,444,661

Notwithstanding the scarcity of labor that has caused the cost of mining to be largely increased, the quantity mined has been swollen, but not enough to meet the demand, which is mainly from the Government, and paid for in "greenbacks." One million tons of coal for iron clads, that cost the Government last winter \$4,500,000, now costs it nearly \$10,000,000. The duties and exchange rise in proportion to the advance here, as is the case with sugar and other articles of import. The general prospect of a further increase of paper induces holding, to avail of the advance. The exports of produce in the month of September were, to some extent, larger than in August as follows:

EXPORTS, PORT OF NEW YORK.

	Specie.	Foreign.		Domestic.	Total.
		Free.	Dutiable.		
January.....	\$4,624,574	\$73,111	\$668,275	\$14,829,898	\$19,695,851
February.....	3,965,664	43,889	610,009	17,780,586	22,400,148
March.....	6,385,442	213,685	758,266	16,187,689	23,695,082
April.....	1,972,834	74,949	375,224	11,581,933	14,004,940
May.....	2,115,679	101,337	602,254	13,183,510	16,002,780
June.....	1,867,774	49,380	298,087	14,780,072	16,495,293
July.....	5,268,881	77,232	448,601	15,298,073	21,092,787
August.....	2,465,361	90,813	231,774	10,666,959	14,454,809
September.....	3,480,385	55,400	238,972	11,717,761	15,492,518
Total 9 months	\$32,846,494	\$779,798	\$4,231,442	\$125,475,981	\$163,333,175
" 1862....	42,843,139	2,520,616	3,829,403	100,837,192	150,487,221

The price of exchange in September was about ten per cent higher than in August, which is about the extent to which the value of the domestic exports increased. On the other hand, there was a decline of prices in England that involved shippers in loss. The general result of business for the nine months has been as follows:

Imports from January 1 to October 1.....	\$137,547,817
Exports of goods.....	\$130,486,681
Corrected by exchange.....	33,495,560
Net exports.....	96,991,121
Excess of imports.....	\$40,556,696
Specie exported.....	32,846,494
Adverse balance.....	\$7,710,202

With the increased imports that followed the fall in gold in August, the outward movement was resumed as follows:

SPECIE AND PRICE OF GOLD.

		1862.		1863.			
		Received.	Exported.	Received.	Exported.	Gold in bank.	Prem. on gold.
January	8.	.....	442,147	.....	681,448	86,954,560	34½ a 34½
"	10.	885,928	1,035,025	1,277,788	726,746	86,770,746	34 a 39
"	17.	.....	547,708	.....	1,880,247	87,581,465	40 a 49
"	24.	627,767	822,918	678,841	780,816	88,549,794	47 a 50½
"	31.	.....	310,484	.....	1,331,027	88,894,840	48½ a 60½
February	7.	854,000	976,235	301,860	1,277,000	88,243,839	57½ a 57½
"	14.	614,146	1,166,154	359,978	1,152,546	88,426,460	53½ a 53½
"	21.	759,247	934,512	.....	520,017	87,981,310	54 a 64
"	28.	741,109	510,774	285,394	1,377,016	89,512,266	71 a 72
March	7.	679,074	585,288	1,248,551	738,648	89,705,089	52½ a 53
"	14.	677,058	477,885	.....	8,540,550	86,110,085	54½ a 54½
"	21.	.....	540,968	249,514	1,201,907	88,955,122	53 a 54½
"	28.	490,368	779,564	159,105	1,050,156	84,317,691	41 a 42
April	4.	581,298	673,826	250,778	473,885	84,257,121	53 a 54
"	11.	.....	1,505,728	250,728	607,059	85,406,145	46 a 52½
"	18.	617,279	698,486	217,602	1,158,487	86,761,696	52 a 53½
"	25.	635,546	1,151,300	356,604	629,555	87,175,067	47 a 51½
May	2.	410,804	712,275	.....	294,998	86,846,528	48 a 50½
"	9.	484,019	1,574,166	205,057	451,827	88,102,638	58½ a 47
"	16.	604,692	1,093,031	.....	661,996	88,556,552	49 a 49½
"	23.	501,204	988,082	258,570	438,745	88,544,865	48½ a 49
"	30.	224,911	881,452	.....	279,994	87,632,634	44½ a 44½
June	6.	558,085	1,647,299	318,066	411,488	87,241,670	46 a 46½
"	13.	852,391	1,990,327	.....	235,364	87,884,128	48 a 48½
"	20.	612,461	3,156,988	.....	522,147	88,314,206	42 a 43½
"	27.	393,212	3,094,101	187,082	134,432	88,271,702	46 a 46½
July	4.	.....	2,647,060	.....	347,807	88,302,826	44 a 44½
"	11.	641,451	2,424,916	254,947	401,936	88,712,397	82½ a 32½
"	18.	441,179	1,846,023	.....	2,190,781	88,254,427	23 a 23½
"	25.	.....	784,537	.....	1,725,748	85,910,227	26 a 26½
August	1.	G. Gate lost.	748,523	270,182	480,374	88,746,681	28½ a 29
"	8.	964,422	890,552	.....	530,044	83,156,548	26½ a 27
"	15.	.....	700,431	313,612	1,210,230	82,874,913	25 a 25½
"	22.	1,089,111	919,825	.....	238,398	81,520,499	24½ a 25
"	29.	.....	1,137,644	231,854	1,379,710	82,030,055	24½ a 24½
Sept.	5.	807,063	551,097	.....	309,799	81,989,381	32½ a 33
"	12.	.....	1,042,835	279,043	852,752	83,018,107	28 a 29
"	19.	934,415	490,865	198,584	535,796	81,014,411	32½ a 33
"	26.	758,286	996,892	277,380	1,411,611	80,008,566	39 a 39½
October	3.	.....	713,075	.....	803,583	80,064,614	42½ a 42½
"	10.	807,616	2,255,513	268,282	2,555,556	79,927,281	46½ a 47
"	17.	.....	1,714,551	.....	1,206,950	78,882,478	51½ a 52
"	24.	763,121	2,024,380	267,911	1,243,273	78,804,281	.....
Total....		18,063,988	43,230,075	8,541,978	38,307,427	.....	.....

It will be remembered in this table that, notwithstanding the rise in gold, the quantity in bank has steadily declined. The Treasury paid out some \$3,000,000 in the first week in October for interest, notwithstanding which the banks had lost \$10,329,924 since July 11—little more than three months. This continued drain, no longer replenished from the interior, diminishes the available quantities at the command of shippers and renders the exchange market very firm. It was the case, however, that when exchange was low in August many speculators bought and importers took options of exchange for 60 days. These were realized toward the close of October, making the market weak. The rates have been as follows:

RATES OF EXCHANGE.

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Jan. 3, 146	a 147½	3.85 a 3.80	56 a 56½	56 a 56½	49½ a 49½	98 a 98½
" 10, 149	a 152	3.72½ a 3.67½	56 a 58	57½ a 58½	50½ a 51½	99 a 100
" 17, 160	a 162	3.52½ a 3.45	60½ a 61½	61 a 62½	54 a 55½	108 a 110
" 24, 162½	a 163	3.50 a 3.45	61 a 61½	61½ a 62	54 a 54½	107 a 108½
" 31, 171	a 177	3.32 a 3.15	65½ a 66½	65 a 67	57 a 58½	114 a 117
Feb. 7, 169	a 173	3.30 a 3.25	65 a 65½	65 a 65½	57 a 57½	114 a 116
" 14, 170	a 171	3.32 a 3.27	65 a 65½	65 a 65½	56½ a 57½	113½ a 114½
" 21, 171	a 179½	2.20 a 3.12	67 a 68½	68 a 68½	59 a 60½	118½ a 119½
" 28, 185	a 188	3.10 a 3.00	67½ a 71	70 a 71	61½ a 62½	123 a 124
Mar. 7, 167	a 169	3.37½ a 3.30	64 a 64	65 a 66	55 a 55½	111 a 113
" 14, 168	a 171	3.35 a 3.30	64 a 64	64½ a 65½	55½ a 56½	112 a 114
" 21, 169½	a 171½	3.37½ a 3.27½	63½ a 68½	63½ a 64½	56 a 57	113 a 114
" 28, 157	a 161	3.57 a 3.47	61 a 62	61 a 62	53 a 54	107 a 108
April 4, 168	a 172	3.40 a 3.25	62½ a 63½	62½ a 64	55½ a 57	111 a 111
" 11, 158	a 162	3.55 a 3.45	61 a 62	61 a 62	53½ a 54½	106 a 108
" 18, 165	a 167½	3.37½ a 3.45	62½ a 62½	62½ a 63	54½ a 55½	108 a 110
" 25, 163	a 165	3.47½ a 3.50	61 a 61½	61½ a 62	53½ a 54½	107 a 108
May 2, 163	a 165	3.47½ a 3.42	61½ a 62½	61½ a 62½	53½ a 54½	107 a 108
" 9, 168	a 170	3.42½ a 3.32	62½ a 63	62½ a 63½	55½ a 56½	110 a 112
" 16, 162½	a 164	3.50 a 3.45	61½ a 62	61½ a 62½	54 a 55	107 a 109
" 23, 161	a 163	3.52 a 3.45	61 a 61½	61½ a 62	54 a 54½	107 a 108
" 30, 156½	a 158	3.62½ a 3.55	59½ a 60½	60 a 60½	52½ a 53	104½ a 106
June 6, 158½	a 160	3.57½ a 3.52½	59½ a 61½	60 a 60½	52½ a 53½	105 a 106
" 13, 156	a 161	3.55 a 3.47½	59½ a 61	60 a 61½	52½ a 54	104 a 107
" 20, 155	a 157	3.62 a 3.57½	58½ a 59	58½ a 59½	51 a 52	103 a 104
June 27, 159	a 160½	3.55 a 3.50	59½ a 60½	60 a 60½	52½ a 52½	106½ a 107
July 11, 143	a 146	3.95 a 3.85	54 a 54½	54 a 55½	47½ a 48½	94 a 96
" 18, 138	a 139	4.07 a 4.02	51½ a 52	50 a 52½	46½ a 46½	92 a 93
" 25, 138	a 139	4.10 a 4.05	51½ a 52½	51½ a 52½	45½ a 46½	91 a 92
Aug. 1, 140	a 141½	4.06½ a 4.00	52½ a 53	52½ a 53½	46½ a 47½	92½ a 93½
" 8, 139½	a 140½	4.06 a 4.00	52½ a 52½	52½ a 52½	46½ a 47	92 a 92½
" 15, 137½	a 138½	4.12½ a 4.08½	51½ a 52	52 a 52½	45½ a 46	91½ a 92
" 22, 137½	a 138½	4.12½ a 4.08½	51½ a 52½	52 a 52½	45½ a 45½	90½ a 91½
" 29, 135½	a 136½	4.10 a 4.15	51 a 51½	21½ a 51½	45 a 45½	90 a 91
Sept. 5, 141	a 147	4.00 a 3.90	52½ a 56½	52½ a 52½	46½ a 48	95½ a 96½
" 12, 142	a 144½	3.92½ a 4.00	53 a 53½	53½ a 54	47 a 48	93½ a 94½
" 19, 146	a 147½	3.87½ a 3.88	54½ a 55	54½ a 55½	48 a 48½	95½ a 97
" 26, 151	a 152½	3.77½ a 3.71½	56½ a 56½	56½ a 57	49½ a 50	99 a 100
Oct. 3, 154½	a 167½	3.65 a 3.57	58 a 59	58½ a 59½	51½ a 52½	103 a 104
" 10, 160½	a 162	3.55 a 3.48½	60½ a 61	60½ a 61½	53 a 53½	106½ a 107½
" 17, 168½	a 172	3.38½ a 3.27½	63½ a 64	64 a 64½	56 a 56½	111½ a 113

The rapid change in the value of bills operates disastrously upon all business. Many importers, indeed, cover their sales early in the season by taking options of the bankers, who, in their turn, covered themselves with gold or produce bills. There were also many who were sanguine of a further fall, and who suffered in the rise. These interests were all opposed to a rise in gold, which has become the point on which values turn, since, being no longer a currency, it is only a commodity.

The activity of business on a cash basis has been accompanied with a continued abundance of money; the most important demand having been from stock dealings, and the rate has been 6 @ 7 per cent. The accumulation of money seeking investment has been large, and the investments in the Government five-twenties have been greatly increased, since the fall of gold made those stocks, as compared with specie, much cheaper. This sudden increase of sales is attributed by many to orders on foreign account, which would compensate in some degree for a deficiency in exports in providing exchange. The prices have been as follows:

PRICES UNITED STATES PAPER.

		—6's, 1881.—		5's, 1874.	7 3-10. 3 years.	1 year certif. Old.	New.	August demand notes.	
		Reg.	Comp.					Gold.	
January	3...	96½	98	88½	102½	96½	...	34½ a	34½ 29
"	10...	97½	98	90	103	97	...	37½ a	38 35
"	17...	91½	91½	88½	101	95	...	49 a	46½ 43
"	24...	95	96	90	102	96	...	47 a	48½ 44½
"	31...	92½	94	86	101½	94	...	55 a	60½ 53
February	7...	92	93½	85½	102	94	...	57½ a	57½ 55
"	14...	94	96	87½	102½	96	...	53½ a	53½ 51
"	21...	96½	97½	91½	103½	95	...	53½ a	64 62
"	28...	100½	102½	97	105½	98½	...	71 a	71½ 71
March	7...	99½	100½	94½	105	98½	...	52½ a	53 53
"	14...	104½	104½	98	106½	100	...	54½ a	54½ 53
"	21...	103½	104½	96	107	100	...	54½ a	54½ ..
"	28...	104½	105	96½	106½	100	...	41 a	41½ ..
April	4...	104½	105	97½	104½	99	...	53 a	53½ ..
"	11...	104½	105	97½	105	100½	...	46 a	52½ ..
"	18...	104	105	96	105	101	...	53 a	53½ ..
"	25...	105	105	96	106	102	99½	151½ a	151½ ..
May	2...	105½	106½	97½	106½	102	99½	150 a	150½ ..
"	9...	106	107	97	106	101½	99½	152½ a	152½ ..
"	16...	108	108	97½	107	101½	99½	149 a	149½ ..
"	23...	108½	108½	97½	107½	101½	99½	148½ a	149 ..
"	30...	108	108	97½	107	101½	99½	144½ a	144½ ..
June	6...	104	108½	99	107	101½	97½	146 a	146½ ..
"	13...	104½	108½	99	106	101½	98	148 a	148½ ..
"	20...	108½	108½	98½	106	101	98½	142½ a	143½ ..
"	27...	102	107½	98	104	100½	97	146½ a	146½ ..
July	11...	104½	105	97½	106	100½	98½	132½ a	132½ ..
"	18...	104½	106	93	106½	101	99	125 a	125½ ..
"	25...	106½	106½	97	106½	100½	98½	126 a	126½ ..
August	1...	104½	105½	96½	106½	101	99½	128½ a	127 ..
"	8...	105½	106½	96½	106½	101	99½	126½ a	127 ..
"	15...	105½	105½	97	106½	101	99½	125 a	125½ ..
"	22...	106	107½	97	107	101½	99½	124½ a	125 ..
"	29...	106	107	95	107	101½	99½	124½ a	124 ..
Sept.	5...	106	106	95	106	100½	99½	132½ a	133 ..
"	12...	105	106½	95	106	101	99½	128 a	129 ..
"	19...	106	106½	96	106½	101½	99½	133½ a	133½ ..
"	26...	106½	106½	96	106½	101½	99½	139½ a	139½ ..
October	3...	107	106½	95	106½	101½	99½	142½ a	142½ ..
"	10...	107½	108	97	106½	101½	99½	146½ a	147 ..
"	17...	107½	109	97	106½	102½	99½	151½ a	152 ..

The amount actually sold abroad is, however, very small. As explained above, the United States stocks can be bought cheaper in London than in New York. The continued large subscriptions by brokers, new banks, and others, towards the close of October, caused money to become dear and affected the price of stocks. The situation was nearly the same as in June last, when the conversions to 5-20's caused the rate of money to rise to full 7 per cent, and induced a withdrawal of the five per cent deposits with the Treasury. On the 25th of June notice was given that deposits would be removed, the amount on hand having fallen below the legal limit of \$100,000,000. The same dearthness of money now shows itself from the same cause, but the banks hold \$25,000,000 of 5 per cent certificates, heretofore paid in gold, but which ceased on the 1st November. Those certificates may now be paid in "greenbacks," and thus ease the market.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

BANK ITEMS AND BANK RETURNS.

UNITED STATES BANKS vs. STATE BANKS.—We gave last month an article by one of our bank presidents, on the question whether the banks organized under the National Currency Act should be admitted to the Clearing-house, the publication of which has elicited much discussion, and one political paper, we see, has impeached its loyalty! The article in question was handed us for publication, before it was issued in any other form, with the writer's name, and it struck us as a very fair, unimpassioned discussion of an important financial measure. We shall gladly publish any article of equal ability on either side of the same subject.

This United States Currency Act is, however, to us a strange piece of legislation. We can say, with the writer in last month's Magazine, that if the success of this scheme of banking were necessary to the suppression of the rebellion, we could submit to it. But in what respect does it benefit Government? The only suggestion in its favor we have heard is, that it furnishes a demand for United States bonds as a basis for the banks. But even granting it does, what advantage is that, since these same bonds are deposited with Government and circulation is issued on them, so that the sale of the bonds amounts simply to the issue of ninety per cent in currency? Why, then, could not Government have issued that currency directly, without the previous sale of the bonds? Certainly, the inflation caused is just as great, whether the Government issued the notes directly, or indirectly through the banks. Where is the use, then, of Government selling the bonds, and paying these banks five per cent interest for the privilege of issuing through them ninety per cent in currency, when it could have issued the same currency without the banks and without paying any interest? If any of our readers can see how the country is benefited by this operation, we should be glad to hear from them, for we are sadly in need of light. According to our view of the matter, the success of this banking scheme, as it now stands, not only will fail to advance, but must be directly opposed to, the best interests of the Government.

We publish this month the Circular of the Controller of the Currency, which has excited so much remark. It will be found valuable, as embracing the views of Government at the present time and for future reference.

NATIONAL BANKS UP TO OCTOBER 14, 1863.—The following is the official statement of the number, location, and capital of national banks formed up to October 14, 1863. It will be seen that the total capital amounts to less than \$13,000,000:

CONNECTICUT—New Haven, Stamford, Norwich.....	\$600,000
DISTRICT OF COLUMBIA—Washington City.....	500,000
ILLINOIS—Chicago, Aurora, Cairo, Moonmouth.....	250,000
INDIANA—Indianapolis, Anderson, Blufftown, Cambridge City, Centerville, Evansville, Fort Wayne, Franklin (2), Kendallville, Lafayette, Lawrenceburg, Richmond, Rockville, Terre Haute, Warsaw, Valparaiso.....	1,621,500
IOWA—Davenport, Iowa City, Keokuk, Lyons.....	250,000
KENTUCKY—None.	

MAINE—Bath	\$100,000
MASSACHUSETTS—Springfield, Worcester, Barre.....	300,000
MICHIGAN—Ann Arbor, Detroit, Fenton.....	250,000
MISSOURI—Columbia, St. Louis.....	200,000
MARYLAND—None.....	(
NEW HAMPSHIRE—Portsmouth, Nashua.....	200,000
NEW YORK—New York City (3), Adams, Ellenville, Delhi, Danville, Fishkill Landing, Moravia, Rondout, Seneca Falls, S. Worcester, Syracuse, Watertown.....	1,840,000
NEW JERSEY—Newark.....	125,000
OHIO—Cincinnati (4), Cleveland (2), Akron (2), Dayton (2), Cadiz, Canton, Findlay, Fremont, Germantown, Greenfield, Hamilton, Ironton, Lodi, Logan, Portsmouth, Salem, Sandusky, Upper Sandusky, Toledo, Troy, Warren, Youngtown.....	4,458,000
PENNSYLVANIA—Philadelphia, Carlisle, Erie, Girard, Kittanning, Hollidaysburg, Huntingdon, Johnstown, Newville, Pittsburg, Scranton (2), Strasburg, Towanda, Wilkesbarre (2), Marietta.....	1,721,500
RHODE ISLAND—None.....	
TENNESSEE—None.....	
VERMONT—None.....	
WISCONSIN—Milwaukee, Hudson, Janesville.....	375,000

Total, to October 14, 105 banks. Capital..... \$12,776,000

On the evening of the 22d of October, Mr. McCULLOUGH, Controller of Currency, addressed a meeting of gentlemen at the Fifth Avenue Hotel. The object of the meeting was to take measures for organizing a large national bank in this city—probably the same one that was contemplated as the Third. The following was the call issued:

NEW YORK, October 19, 1863.

SIR—You are respectfully invited to meet the Hon. HUGH McCULLOUGH, the Controller of the Currency, at eight o'clock on Wednesday evening, October 21, at the Fifth Avenue Hotel, for the purpose of a conference in relation to the establishment of a large national bank in this city. (Signed.)

Peter Cooper, John J. Astor, Jr., Freeman Clark, John J. Phelps, Morris Ketchum, David Dewa, Paul S. Forbes, Joseph Stuart, E. D. Morgan, Jonathan Sturges, George Opdyke, Isaac N. Phelps, O. De Forest Grant, Isaac Sherman, A. Arnold, Elisha Riggs, B. H. Hutton.

Besides the gentlemen above named, there were present Hon. Samuel Hooper, of Massachusetts, Chairman of the Committee of Ways and Means in Congress; Mr. H. B. Hurlbut, President of the First National Bank at Cleveland, Ohio; Samuel T. Dana, of Boston; Mr. Leonard Jerome, General Wm. K. Strong, Colonel Vermilyea, Mr. Jaques, Vice-President of the Metropolitan Bank, Mr. Cisco, Mr. David Hoadley and others. After listening to the remarks which Mr. McCULLOUGH had to make, the chairman of the meeting presented the following resolutions, which were adopted:

Resolved, As the sense of this meeting, and after listening to the able exposition of the necessity which exists for such an institution from Hon. HUGH McCULLOUGH, that it is expedient to organize a national bank in this city, with sufficient capital to meet the wants of the country, under the system recently inaugurated by Congress.

Resolved, That the capital of said bank be \$5,000,000, with privilege to increase the same to \$50,000,000, from time to time, as may be found expedient.

Resolved, That a committee of three be appointed by this meeting to select seven suitable persons as commissioners to receive subscriptions to the capital stock of said bank.

Messrs. Hutton, Grant, and Vermilyea were appointed a committee under the last resolution, and after a vote of thanks to Mr. McCULLOUGH for his interesting and able address, the meeting adjourned.

THE \$50,000,000 LOAN TO GOVERNMENT.—We gave last month the history of the late bank loan to Government. The following have been the payments on it:

	New York banks.	Other banks.
5 per cent when loan was taken.....	\$1,750,000	\$750,000
10 " September 20.....	3,500,000	1,500,000
10 " " 27.....	3,500,000	1,500,000
10 " October 3.....	3,500,000	1,500,000
10 " " 19.....	3,500,000	1,050,000
Total.....	\$15,750,000	\$6,750,000
Making the total paid.....		\$22,500,000
And leaving still to be paid.....		27,500,000
Amount of loan.....		\$50,000,000

But two calls have been made on this loan this month, on account of the unusually large receipts at the United States Treasurer's office from increased sales of bonds and custom duties. The balance with the Assistant Treasurer, October 23d, was \$35,745,688 77. The banks receive interest on the whole amount of the loan from the time it was taken, irrespective of the dates on which they actually pay the money. As yet the banks have not been troubled in the least to make their payments to the Treasury on account of the loan. It may not be known to all of readers that the loan committee was revived to equalize the holding of the legal tenders among the banks, as the specie was managed during a late financial crisis. Then the specie was put into a pool and the banks which ran below a certain per centage were allowed to draw from the banks which accumulated, by depositing securities with the committee. In this way, however, there was an inducement for each bank to keep up its line, because when it ran down, and the bank had to borrow, interest must be paid, and this interest of course inured to the benefit of the stronger bank. In the recent arrangement, the legal tender notes were all to be held as common stock, with this exception, that no provision was made for compelling each bank to maintain a certain per centage. Thus, a bank which foregoes interest to hold a million in legal tenders really maintains this surplus at its own expense, but for an equal benefit to the institution that allows its surplus to run out. If the latter were obliged to borrow of the former when its balance run down, and pay interest for such accommodation, the arrangement would conform to that made concerning the coin when the loan committee was constituted.

SEMI-ANNUAL BANK DIVIDENDS OF BOSTON.—The following table from the Boston *Shipping List*, presents the capital of each of the Boston banks paying dividends at this time, together with the last two semi-annual dividends, and amount paid on Thursday, October 1st. Of the forty-three banks in the table, the dividends average 8.64 per cent. Three banks divide 5 per cent, two $4\frac{1}{2}$, fourteen 4, fourteen $3\frac{1}{2}$, eight 3; the Massachusetts Bank pays $3\frac{1}{2}$ per cent, or \$8 per share, and the Traders' passes its dividend. The Metropolis is closing up its affairs. Sixteen of the banks increase their dividends:

Boston banks.	Capital.	Dividends.		Amount, Oct., '63.	Stock, dividend on.	
		April, '63.	Oct., '63.		April, '63.	Sep., '63.
Atlantic	\$600,000	2	3	15,000	84	88
Atlas	1,000,000	3	3½	35,000	103	103½
Blackstone	750,000	3½	4	30,000	103	107
Boston, (par \$50)	900,000	4	4	38,000	70	64
Boylston	400,000	4½	4½	18,000	116	116
Broadway	150,000	3½	4	6,000	102	104
City	1,000,000	3½	3½	35,000	105	103½
Columbian	1,000,000	3	3	30,000	111	111
Commerce	2,000,000	3	3½	70,000	105	104½
Continental	300,000	3	3	9,000	99	100
Eagle	1,000,000	3½	4	40,000	110	112
Eliot	600,000	3	3	18,000	102	103½
Exchange	1,000,000	4	4	40,000	118	120
Faneuil Hall	500,000	4	5	25,000	116	118
Freeman	400,000	3	† 3	12,000	99	100
Globe	1,000,000	4	4	40,000	125	125
Granite	900,000	3½	4	36,000	112	114
Hamilton	500,000	4½	5	25,000	135	140
Hide and Leather	1,000,000	3½	3½	35,000	101½	105
Howard	500,000	3½	3½	17,500	102	103
Market, (par \$70)	560,000	3½	4	22,400	74	75
Massachusetts, (par \$250) ..	800,000	\$8*	\$8	25,600	260	270
Maverick	400,000	3	3½	14,000	100	100
Mechanics'	250,000	4	4	10,000	114	114
Merchants'	4,000,000	3	3	120,000	99	100
Mount Vernon	200,000	3½	3½	7,000	99	101
Mutual Redemption	561,700	0	4	22,468	..	...
National	750,000	3	3	22,500	95	95
New England	1,000,000	4	4	40,000	115	115
North	860,000	3	3	25,800	96	99
North America	750,000	3	3½	26,250	105	105
Republic	1,000,000	3	3½	35,000	99	99
Revere	1,000,000	3½	3½	35,000	108	108
Safety Fund	1,000,000	3	3½	35,000	102	105
Shawmut	750,000	3	3½	26,250	95	98
Shoe and Leather	1,000,000	4½	4½	45,000	130	130
State, (par \$60)	1,800,000	3½	3½	63,000	72	69
Suffolk	1,000,000	5	5	50,000	147	147
Traders'	600,000	0	0	.....	86	88
Tremont	1,500,000	4	4	60,000	115	115
Union	1,000,000	4	4	40,000	116	116
Washington	750,000	3½	3½	26,250	104	105
Webster	1,500,000	4	4	60,000	105	107
Total, October, 1863 ..	\$38,431,700			\$1,884,018		
Total, April, 1863	38,631,700			1,297,750		
Total, October, 1862 ..	38,631,700			1,204,000		
Total, April, 1862	38,631,700			1,190,500		

BANK OF FRANCE *vs.* BANK OF SAVOY—POWER TO ISSUE NOTES.—A great commotion has been excited in commercial circles at Paris, by a singular affair. At the time Savoy formed part of the dominions of King Victor Emanuel, there existed a Bank of Savoy with a capital of only 4,000,000f. (\$800,000), but possessed of the of issuing notes privileges of establishing branches, of increasing its capital at will, and of being of in-

* The dividend of the Massachusetts Bank is 3 1-5 per cent (par \$250,) equal to \$8 per share.

† Freeman's not official.

definite duration. In the treaty annexing the province to France, no special stipulation was made with regard to this bank, and accordingly it came within the clause by which France guaranteed to all companies and establishments in that province the maintenance of the rights and privileges they had enjoyed. After a while the directors of the Bank of Savoy fancied that they had no chance of maintaining their ground against the Bank of France, and they accordingly proposed to sell purely and simply their business and their privileges to that establishment. Negotiations took place and extended over an unreasonably long time. But at last they were broken off, because the Bank of France would not consent to give the price demanded by the Bank of Savoy. On the rupture of these negotiations, the directors of the Bank went to Messrs. PEREIRE, and these great financiers saw at once that the Bank of France had committed a gross blunder as regarded its own interests, and that the Bank of Savoy might be turned to account in a manner which it had not the sagacity to foresee. They entered into a provisional agreement for purchasing the privileges of the Bank, and about the first of October that agreement became definitive. The Bank of Savoy, therefore, is theirs. When their purchase had become a *fait accompli*, the great fact that the Bank of Savoy *can issue notes* presented itself, with appalling sternness, to the directors of the Bank of France. This latter Bank, as our readers are aware, has hitherto had the *exclusive* privilege of issuing notes; and it has certainly good reason to be troubled at seeing that great privilege invaded by financiers of such high authority and vast resources as Messrs. PEREIRE. Yet, although the Bank of France is determined now to make a vigorous opposition to the Bank of Savoy, it appears that it not only peremptorily refused to allow the Bank of Savoy to amalgamate with it, as the latter wished, and as the Emperor himself, it is alleged, desired, but that it would not even consent to buy up its privilege of issuing notes, except for a sum absurdly small (\$120,000), and except on the condition that the bank should undergo a complete transformation, which would have rendered its other privileges useless, and have made it an abject dependence of the French establishment. What is still stranger is, that the Bank of France strongly recommended the Bank of Savoy, for its own sake and for the sake of the people of the province, to continue its operations—that is, to exercise its privileges of issuing notes, increasing its capital at will, forming branches, &c. “The maintenance of this bank is useful and necessary,” said the Bank of France directors, in a “memoir” (as such things are called there) which they drew up against the projected amalgamation; “it is desired by the Bank of France itself.” “The Bank of Savoy,” they added, “has been useful; it is still indispensable; its suppression would be evidently injurious, and even a political error.” These facts, as to the action of the Bank of France, came out at the meeting of the directors of the Bank of Savoy, held Sunday the fourth of October.

After thus refusing to buy up the Savoy Bank, and after making such admissions as these, the Bank of France has clearly no moral right to raise clamors against that establishment, because, following the advice given, it has resolved to continue to exist, and in order to do so effectively has obtained the co-operation of two distinguished financiers. It must be evident to everybody that if the Bank of France thought the maintenance of the Savoy establishment “useful and necessary” before Messrs.

PEREIRE had anything to do with it, the contrary opinion cannot with any decency be expressed now that those gentlemen have taken it in hand. The Bank of France has clearly put itself out of court.

Nevertheless, we are told that this bank and its friends—in which term is included most of the principal bankers of Paris—will, on what they call public grounds, make a vigorous opposition to the Bank of Savoy. On this point, we take the following from the Paris correspondent of the *London Economist*, October 10th :

"The Bank of France and principal bankers in Paris have already succeeded in inducing the Government Commissioner who attended the meeting of shareholders of the Bank of Savoy at Annecy the other day to declare that a vote which was passed for increasing the capital from 4,000,000*fr.* to 40,000,000*fr.* (£160,000 to £1,600,000) must be considered as given "under reserve"—a mere matter of form, it is true, but still indicative of a wish to thwart, if possible, the arrangements between Messrs. PEREIRE and the Bank. Judging, however, from the reasons the adversaries of that arrangement have already presented, the opposition is not likely to succeed. The first objection they raise is that as the Bank of France has the exclusive privilege of issuing notes in France, no other establishment can be allowed to create notes. This objection would have prevailed if France had retained the limits she possessed when that privilege was granted ; but it is of no weight when applied to a new territory annexed to France, and the commercial establishments in which were, by the treaty of annexation, guaranteed the maintenance of all the rights and privileges they had possessed under the Government to which the territory had previously belonged. M. DUFAURE, one of the most learned advocates in this country, having been consulted on the matter, has expressed the opinion that the Bank of Savoy, by French law, undoubtedly retains under annexation all the powers it held before. Another objection is that two sorts of bank notes in a country will present inconvenience and even danger. But when you ask—why ? no answer is forthcoming. Great Britain and America know something of banking matters ; and in both there is more than one species of note in circulation. Moreover, the Bank of France has itself demolished this objection ; in the 'Mémorial' referred to, it proclaims that, though the Government "is favorable to the unity of banks and the uniformity of circulating paper," it has 'not interdicted itself from coming to a compromise with that principle, and from admitting exceptions.'

"While these, and other objections equally unfounded, are urged against the great act which Messrs. PEREIRE and the Bank of Savoy have accomplished, loud praises of it are uttered by a large portion of the financial and commercial circles, and—no small thing—it is almost unanimously approved of by economists. In the first place, a strong conviction is entertained by these classes that banking—including in that term the power of issuing notes—ought to be free ; and they consider that the setting up of a bank of issue in the presence of the Bank of France is the first step toward obtaining freedom—the introduction of the wedge which is destined to shatter monopoly to pieces. In the next place, they think that as the Bank of Savoy can issue notes of 50*fr.* and even 20*fr.*, whereas the Bank of France refuses to go lower than 100*fr.*, it can give a great impetus to credit. In the third place, the Bank of Savoy will discount bills with two signatures, whereas the Bank of France cannot by its charter accept less than three ; and the former will thus relieve the higher class of commerce from a heavy charge—for the third signature is almost always that of a banker, and he of course does not give it for nothing—whilst at the same time it can accept the paper of a vast number of petty traders, who hitherto have had difficulty in obtaining discount accommodation. Lastly, the Bank of Savoy can discount at four or six months, or even longer dates, whereas the Bank of France never accepts bills of more than three months, though in certain important branches of commerce such a short period is not adopted.

"The report presented to the shareholders of the Bank of Savoy, in their meeting on Sunday, may be considered one of the most remarkable documents in financial history. It shows, on the one hand, the almost inconceivable blindness of a great financial establishment ; on the other, the acuteness of two eminent men. The Bank of France had the greatest interest in preventing another bank of issue from being tolerated in France ; and yet it obstinately refused to come to an arrangement with the only establishment which could compete with it in that capacity. Messrs. PE

REIRK, on this point, saw at once that what the bank so disdainfully rejected was nothing less than the most powerful instrument that existed in the financial world, apart from the Bank of France—inasmuch as it would not only enable a powerful opposition to be raised to that establishment, but would be a sort of revolution in the financial system of the country."

CITY BANK RETURNS.—The returns of the Boston and Philadelphia banks exhibit no marked changes during the month; but in New York city there has been a loss of nearly fourteen millions in the deposits, while the loans have not changed materially, as will be seen by the following statement:

	Loans.	Net deposits.		Net deposits.
October 3.....	\$206,442,874	\$182,653,494	December, ..	\$3,427,279
" 10.....	206,906,902	180,087,283	" ..	2,616,211
" 17.....	206,638,749	178,050,317	" ..	1,986,966
" 24.....	204,013,870	172,487,596	" ..	5,562,721
Decrease in net deposits since September 26.....				\$13,593,176

It is said that the New York city banks now hold about fifteen million in legal tenders. Below will be found our usual returns for the three cities brought down to the latest dates:

NEW YORK BANKS.

NEW YORK BANKS. (*Capital, Jan., 1863, \$69,494,577; Jan., 1862, \$69,493,577.*)

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
January 3.....	\$173,810,009	\$35,954,550	\$9,754,355	\$159,163,249	\$186,861,762
" 10.....	175,816,010	36,770,746	9,551,563	162,878,249	249,796,489
" 17.....	176,608,558	37,581,465	9,241,670	164,666,003	314,471,457
" 24.....	179,288,266	38,549,794	9,083,419	168,269,228	298,861,366
February 7.....	179,892,161	38,243,839	8,780,154	166,342,777	302,352,571
" 14.....	173,103,592	38,426,460	8,756,217	167,720,880	265,189,104
" 21.....	178,335,880	37,981,310	8,752,536	170,103,758	291,242,929
" 28.....	179,958,842	39,512,256	8,789,969	173,912,695	340,574,444
March 7.....	181,098,322	39,705,089	8,693,175	174,689,212	344,484,442
" 14.....	177,875,949	36,110,085	8,657,016	172,944,084	307,370,817
" 21.....	173,829,479	33,955,122	8,609,723	167,004,466	277,831,351
" 28.....	172,448,526	34,317,691	8,560,602	163,363,846	281,326,258
April 4.....	173,038,019	34,257,121	8,348,094	160,216,418	287,347,704
" 11.....	170,845,283	35,406,145	8,178,091	159,894,731	264,468,080
" 18.....	169,182,822	36,761,696	8,039,558	164,122,146	259,417,665
" 25.....	171,079,322	37,175,067	7,555,549	167,863,999	258,654,781
May 2.....	177,864,956	36,846,528	7,201,169	167,696,916	355,557,732
" 9.....	180,114,983	38,002,633	7,080,565	163,656,513	367,560,731
" 16.....	180,711,072	38,556,642	6,901,700	168,879,130	353,346,664
" 23.....	181,319,851	38,544,865	6,780,678	167,655,658	380,304,748
" 30.....	181,825,856	37,692,634	6,494,375	166,261,121	307,680,918
June 6.....	182,745,080	37,241,670	6,341,091	162,767,154	289,757,539
" 13.....	180,808,823	37,884,128	6,210,404	159,551,150	302,377,276
" 20.....	177,083,295	38,314,206	6,120,252	157,123,801	259,483,221
" 27.....	175,682,421	38,271,202	6,004,177	158,539,308	264,819,856
July 4.....	174,337,384	38,302,826	5,998,914	158,642,825	267,785,773
" 11.....	175,087,485	38,712,397	5,927,071	160,783,496	319,945,652
" 18.....	173,126,387	38,264,427	5,880,623	163,319,544	251,168,769
" 25.....	173,036,336	35,910,227	5,775,188	164,133,549	284,654,421
August 1.....	176,208,597	33,746,681	5,700,452	161,173,146	292,211,321
" 8.....	176,559,840	32,156,548	5,706,024	155,868,116	297,384,006
" 15.....	175,305,471	32,874,913	5,613,177	155,950,043	298,936,160
" 22.....	175,713,139	31,520,499	5,546,970	156,588,095	373,755,630
" 29.....	176,748,618	32,030,055	5,473,964	156,671,695	392,404,680
Sept. 5.....	178,477,037	31,989,381	5,456,916	158,110,687	394,814,312

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
Sept. 12,....	200,028,980	32,018,107	5,457,386	178,588,622	371,510,559
" 19,....	207,679,456	31,014,411	5,414,648	185,676,199	343,263,949
" 26,....	204,501,984	30,008,566	5,377,886	186,080,773	354,208,025
October 3,....	206,412,874	30,064,614	5,375,586	182,655,494	375,032,632
" 10,....	206,906,903	29,927,281	5,522,178	180,037,233	399,288,092
" 17,....	206,638,749	28,382,473	5,618,764	178,050,317	427,981,203
" 24,....	204,013,870	28,804,915	5,799,097	172,487,596	469,175,465

BOSTON BANKS.

BOSTON BANKS. (*Capital, Jan., 1863, \$38,231,700; Jan., 1862, \$38,231,700.*)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5,...	\$77,339,046	\$7,672,028	\$8,190,496	\$33,372,648	.....	.....
" 12,...	77,427,173	7,751,000	8,373,000	33,063,800	17,006,000	13,520,000
" 19,...	76,624,700	7,710,600	8,199,600	33,862,000	16,547,800	13,727,700
" 26,...	76,354,000	7,710,700	8,008,500	33,847,000	16,811,700	13,958,000
Feb. 2,...	76,496,800	7,685,000	8,865,000	34,076,800	16,889,000	14,490,000
" 9,...	78,421,000	7,707,000	8,074,000	35,178,600	16,932,000	14,188,000
" 16,...	78,431,000	7,794,000	8,001,000	34,908,000	17,070,700	14,095,500
" 23,...	78,782,600	7,624,000	8,002,000	34,965,500	17,331,000	14,583,800
Mar. 2,...	79,127,500	7,553,000	8,001,980	35,245,500	17,523,500	15,004,000
" 9,...	79,274,700	7,582,000	8,225,000	35,215,000	17,340,400	14,446,500
" 16,...	79,636,184	7,609,238	7,780,062	32,955,149	17,230,300	13,484,500
" 23,...	77,935,000	7,572,600	7,593,800	31,604,500	17,074,400	11,601,800
April 6,...	76,933,600	7,703,800	7,963,500	32,687,000	15,444,000	12,280,600
" 13,...	74,551,013	7,812,895	7,762,915	32,494,822	14,557,000	12,947,800
" 20,...	78,459,160	7,799,315	7,278,506	33,209,742	14,182,000	12,658,000
" 27,...	73,558,000	7,338,800	7,040,000	32,781,500	13,803,000	11,966,700
May 4,...	73,218,155	7,854,731	7,433,496	31,949,762	13,237,700	11,622,600
" 11,...	73,062,789	7,847,849	7,668,233	31,309,985	13,147,000	11,800,000
" 18,...	73,068,598	7,794,046	7,167,327	32,192,770	12,863,500	11,732,000
" 25,...	72,874,000	7,777,000	7,011,700	33,000,000	12,787,000	11,748,000
June 1,...	73,424,000	7,751,000	6,913,000	32,575,000	12,735,000	10,704,500
" 8,...	73,592,000	7,738,557	7,030,286	31,728,285	12,626,700	10,874,700
" 15,...	73,287,000	7,780,000	7,109,000	31,477,600	12,235,500	10,541,000
" 22,...	73,351,000	7,697,000	7,344,500	31,355,800	12,504,600	10,914,700
" 29,...	73,421,084	7,683,987	7,040,624	31,477,596	12,388,000	10,900,000
July 6,...	73,548,913	7,744,327	7,473,800	31,509,263	12,233,000	10,891,000
" 13,...	73,485,675	7,774,991	7,508,442	30,277,502	12,193,000	10,712,000
" 20,...	73,421,000	7,684,000	7,401,500	29,287,000	13,802,000	10,154,600
" 27,...	72,850,716	7,311,513	7,246,797	28,011,571	12,950,000	9,864,800
Aug. 3,...	72,390,364	7,793,916	7,317,402	28,384,096	12,655,000	9,646,000
" 10,...	71,997,503	7,793,276	7,440,212	28,247,266	12,822,673	10,135,180
" 17,...	71,860,078	7,813,497	7,198,917	27,898,073	12,765,527	9,603,257
" 24,...	71,447,520	7,780,905	7,303,757	27,510,154	12,662,321	9,573,673
" 31,...	71,478,116	7,752,516	7,227,704	27,762,955	12,614,000	9,820,500
Sept. 7,...	71,717,995	7,637,402	7,527,036	28,778,498	12,379,000	10,874,700
" 14,...	75,599,232	7,591,589	7,600,556	31,143,588	12,424,000	11,097,000
" 21,...	79,595,740	7,595,358	7,604,161	34,509,214	13,565,000	11,487,500
" 28,...	78,368,387	7,707,106	7,620,371	34,495,540	13,315,000	12,138,000
Oct. 5,...	77,798,427	7,042,042	8,107,720	35,435,811	13,498,000	13,765,500
" 12,...	78,160,899	7,991,999	8,399,769	35,784,989	13,909,500	14,123,700
" 19,...	78,216,435	7,880,832	8,323,451	35,127,597	13,506,500	13,967,000

PHILADELPHIA BANKS.

PHILADELPHIA BANKS. (*Capital, Jan., 1863, \$11,740,080; 1862, \$11,970,130.*)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5,....	\$37,679,675	\$4,510,750	\$4,504,115	\$28,429,189	\$6,948,785	\$1,994,928
" 12,...	37,533,757	4,544,786	4,450,676	28,013,792	6,890,963	1,842,932
" 19,...	37,416,694	4,549,369	4,382,520	27,877,069	7,050,847	2,275,905
" 26,...	37,479,712	4,572,419	4,284,947	28,773,517	6,755,980	2,638,985

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Feb 2,...	37,268,894	4,562,680	4,181,508	29,231,753	6,698,210	2,909,857
" 9,...	37,386,367	4,819,706	4,089,918	28,062,164	6,958,215	2,518,086
" 16,...	37,710,851	4,272,347	3,888,185	28,759,049	7,452,568	2,432,073
" 23,...	37,720,460	4,276,761	3,772,781	29,842,596	7,413,249	2,703,196
Mar. 2,...	37,901,080	4,267,626	3,696,097	30,178,518	7,185,670	2,758,852
" 9,...	38,608,871	4,249,085	3,608,870	30,479,259	7,100,258	2,499,139
" 16,...	39,260,028	4,247,817	3,584,880	30,549,357	7,476,603	1,939,449
" 23,...	39,458,384	4,247,688	3,295,862	30,106,135	7,418,482	1,935,014
" 30,...	38,937,612	4,311,704	3,369,194	29,171,283	6,504,758	2,158,007
Apr. 6,...	37,516,520	4,339,252	3,374,417	29,531,559	5,768,558	2,770,129
" 13,...	36,250,402	4,343,242	3,296,685	30,117,527	5,953,809	3,014,229
" 20,...	36,295,644	4,348,988	3,185,042	31,059,644	5,306,809	3,018,727
" 27,...	36,482,058	4,346,377	3,078,921	31,021,799	5,448,124	2,559,868
May 4,...	36,587,294	4,355,324	2,989,428	30,859,231	5,828,898	2,891,087
" 11,...	36,593,179	4,359,365	2,901,600	30,949,781	4,975,939	2,542,732
" 18,...	36,887,301	4,367,119	2,866,121	31,892,308	4,640,623	2,536,279
" 25,...	37,116,093	4,367,169	2,808,109	32,455,953	4,623,392	2,480,714
June 1,...	37,143,937	4,357,021	2,706,953	31,888,763	4,707,278	2,363,548
" 8,...	37,157,769	4,357,076	2,649,283	31,549,339	4,645,712	2,313,744
June 15,...	37,228,627	4,357,025	2,621,098	31,648,959	4,914,425	2,892,278
" 22,...	37,219,216	4,356,744	2,596,115	31,293,830	4,868,495	2,065,918
" 29,...	37,250,665	4,359,543	2,556,855	31,466,204	5,116,693	1,820,600
July 6,...	35,936,311	4,360,745	2,564,558	28,504,544	5,060,096	1,961,814
" 13,...	34,866,842	4,360,003	2,507,253	28,701,313	4,784,343	2,530,552
" 20,...	34,662,966	4,361,999	2,482,986	29,931,608	4,580,322	2,981,867
" 27,...	34,517,347	4,227,448	2,418,463	30,448,430	4,805,045	3,034,009
Aug. 3,...	34,390,179	4,187,056	2,417,739	30,799,448	4,963,290	2,772,717
" 10,...	34,645,243	4,112,018	2,380,720	30,513,961	4,740,391	2,538,096
" 17,...	35,890,179	4,112,542	2,353,396	29,959,127	5,161,573	2,158,440
" 31,...	35,290,376	4,113,309	2,292,607	30,195,167	4,551,031	2,219,071
Sept 7,...	35,773,596	4,113,162	2,258,306	30,654,672	4,574,037	1,997,534
" 14,...	39,575,410	4,103,115	2,223,533	33,626,702	4,997,015	1,801,678
" 21,...	40,175,698	4,102,701	2,224,632	33,039,035	5,079,742	1,802,889
" 28,...	39,485,313	4,116,683	2,224,374	32,402,733	4,614,754	1,822,228
Oct. 5,...	38,798,830	4,227,265	2,193,000	32,258,554	4,427,097	1,976,561
" 12,...	39,046,434	4,239,531	2,169,314	32,536,502	4,446,684	2,035,819
" 19,...	38,833,337	4,238,677	2,159,638	32,684,915	4,361,072	1,926,707

The following is a statement of the amount of United States legal tender notes held by the Philadelphia banks at the dates mentioned :

June 22.....	\$6,082,729	" 31.....	\$6,853,540
" 29.....	6,952,150	Sept. 7.....	7,382,810
July 6.....	5,953,622	" 14.....	7,081,460
" 13.....	6,916,751	" 21.....	6,573,404
" 20.....	7,066,593	" 28.....	6,375,334
July 27.....	7,903,732	Oct. 5.....	6,278,091
Aug. 3.....	8,430,782	" 12.....	6,342,746
" 10.....	7,780,640	" 19.....	6,525,827
Aug. 17.....	7,530,339		

EUROPEAN FINANCES—BANK OF ENGLAND RETURNS.—The past month, (October 8,) the Bank of France raised its rate of discount to five per cent, a considerable amount of specie having been taken from the bank. We take the following from the London *Economist*, as it represents pretty fully the alarming condition of the London and Paris money markets, together with the cause and future prospects. It will be remembered that the Bank of France makes its returns not weekly, but monthly :

The condition of the Bank of France is not, indeed, very alarming; there is not enough to excite a panic; but it is impossible not to see that there must have been

much in it to cause apprehension for some time past. It is only at the moment before publication that the rate of discount has been raised. It is impossible to imagine a greater censure on the present managers. They are willing to suffer in silence and inaction a progressive drain till the moment at which it is known; and just before it becomes known, they take in haste the steps which ought to have been taken long since, and which *would* have been measures of precaution, if they had been so taken.

The account is this, in comparison with that of last year:

	1862.	1863.
Notes in circulation of the Bank and branches.....	£31,688,870	£32,624,076
Draughts drawn on the Bank by the branches, or by the Bank on the branches, and payable in Paris or the provinces.	226,869	184,430
Acknowledgments for money deposited.....	259,406	179,438
Public deposits.....	3,468,368	2,135,136
Private deposits.....	7,785,849	7,686,082
Total liabilities.....	43,428,862	43,009,162
Against a reserve of bullion of.....	13,674,772	10,899,184

—which should have caused caution lately, but which should not cause panic now.

If we turn to the account of the Bank of England, we find that it has been affected by several circumstances, but that, even after allowing for those circumstances, it is not in a satisfactory state.

The figures relating to the banking department are:

Public deposits.....	£9,510,057
Private deposits.....	12,898,642
Seven days' bills.....	777,032

Total liabilities..... 23,180,731
against a reserve of £7,787,662.

It is true that the reserve is always low at this season of the year; that the close of the quarter always augments the active circulation of notes and the circulation of coin; that, on the whole, this period is not favorable to the position of the Bank; still the mere figures, after every explanation and mitigation, are far worse than any to which we have long been accustomed. The reserve is much less than one-third of its liabilities, and one-third is the very minimum with which the Bank ought ever to be content, and of late it has usually been nearer to one-half.

As to the absorption of sovereigns, of which so much has been said, we have heard that there is nothing unusual in it. We believe that the issue of sovereigns at the Bank between the beginning of April and the end of October was nearly six millions in 1861, nearly seven millions and a-half in 1862, and that it has been only about six millions since the beginning of April to the present time. There is, therefore, no absorption of sovereigns to be accounted for, and the various recondite speculations on that head are so much waste paper.

Much more serious matter remains. We now have:

The stock of bullion in the Bank of England.....	£14,836,037
The stock of bullion in the Bank of France.....	10,899,184
Total.....	25,735,221
Against last year:	
Stock of bullion in the Bank of England.....	16,548,156
Stock of bullion in the Bank of France.....	13,674,772
Total.....	30,222,928

Although the rate of discount, as will be seen by the comparative table in our city article, is considerably higher now than it was last year, still such a reduction of bullion in the two banks together (which, now that the two money markets are so closely connected together, and practically so very near, should for many purposes be added together) must necessarily make the money market of both countries sensitive and delicate.

The liabilities of Europe, and of England perhaps especially, are large. The demand for bullion for India must be considerable:

In 1862 we imported up to 31st July, (the last date to which we have the figures) of cotton from India	£4,883,899
In 1863	11,950,999

And from "other countries," which are really barbarous countries, and therefore absorb bullion more or less, we imported—

Of raw cotton in 1862	£991,858
Of raw cotton in 1863	3,678,347

and all this must be paid for.

The number of continental schemes and engagements (for solvent individuals have subscribed to them) is very large, and they will undoubtedly pull heavily on our store of actual cash. Many of them are banks or loan societies in rude countries, and whenever cash is lent in or taken to such communities, it is long before more civilized nations see it again. The greater part of the companies which have been started have not absorbed much capital, and have taken abroad little money, and we have good reason to believe that the public have shown lately a discretion in their investments far surpassing that of any previous period. But, nevertheless, we have been gradually engaging ourselves in many foreign undertakings which will cause a very important demand on our bullion.

On the other hand, the effect of our good harvest—at least, of the expectation of it—is already written in the Board of Trade tables. We imported up to July 31st:

	1862.	1863.
Wheat	£11,380,516	£6,864,080
Wheatmeal and flour	3,198,310	1,944,517
Total	£14,578,826	£8,808,597

showing a reduction of about £6,000,000.

Too much credit however must not be taken for this circumstance in face of the general liabilities we have enumerated. It will especially be for the Bank of England not to delay too long to raise the value of money in the face of large immediate demands, and of a higher rate offered for money by its principal competitor.

BANK OF ENGLAND.

The following comparative table will be of interest, affording as it does a view of the bank returns, the bank rate of discount, and the price of wheat in London during a period of three years corresponding with the date of our last returns, October 7th:

At corresponding dates with the week ending October 7, 1863.	1861.	1862.	1863.
Circulation, including bank post bills...	£21,674,563	£22,137,670	£22,545,407
Public deposits	4,893,914	8,333,779	9,510,067
Other deposits	12,028,835	18,530,122	12,893,642
Government securities	10,783,123	11,252,556	11,141,227
Other securities	17,440,363	19,751,704	22,591,587
Reserve of notes and coin	7,859,634	9,828,331	7,787,662
Coin and bullion.	14,141,519	16,548,156	14,856,937
Bank rate of discount	3½ per cent.	2 p. cent.	4 per cent.
Average price of wheat.	57s. 0d.	51s. 1d.	42s. 2d.

Subjoined is our usual table with the returns brought down to October 7th, 1863:

WEEKLY STATEMENT.

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 17...	£19,932,360	£8,507,144	£14,033,994	£30,539,363	£15,031,658	3 pr. ct.
" 24...	20,150,398	8,654,499	14,306,497	31,346,731	14,870,795	3 "
" 31...	20,516,435	8,338,717	15,469,254	32,488,020	14,956,421	3 "
Jan. 7...	20,927,993	8,782,808	14,393,308	32,620,233	14,635,555	3 "
" 14...	21,018,849	4,280,730	16,772,782	31,165,075	14,102,169	4 "
" 21...	20,893,931	4,965,798	14,993,225	30,227,066	13,855,849	4 "

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discout.
" 28...	20,771,236	5,416,863	14,414,763	30,238,865	13,611,823	5 "
Feb. 4...	20,709,154	6,351,617	13,852,287	29,997,233	13,692,136	5 "
" 11...	20,444,454	6,952,808	13,596,356	30,288,406	14,070,651	5 "
" 18...	19,916,496	7,413,275	13,769,276	29,890,503	14,589,222	4 "
" 25...	19,715,828	7,901,658	13,867,153	29,709,079	14,614,096	4 "
Mar. 4...	20,322,055	8,036,003	13,368,086	30,880,305	14,504,517	4 "
" 11...	19,801,665	8,673,899	13,282,605	31,096,327	14,328,178	4 "
" 17...	20,012,331	9,343,499	13,003,088	31,482,170	14,547,812	4 "
" 24...	20,136,276	10,364,471	12,742,282	31,896,338	15,025,274	4 "
Apr. 1...	20,965,228	10,107,041	13,172,090	32,775,752	15,141,755	4 "
" 8...	21,279,339	6,714,109	14,829,832	30,946,784	14,963,835	4 "
" 15...	21,326,320	5,769,276	15,013,391	29,974,877	15,229,237	4 "
" 22...	21,413,226	6,316,413	14,739,897	30,182,533	15,387,151	3 "
" 29...	21,452,800	7,178,812	13,606,939	29,994,349	15,348,492	3 1/2 "
May 6...	21,376,999	7,241,739	13,122,087	29,718,602	15,141,760	3 "
" 13...	21,252,916	6,735,137	13,727,556	30,201,120	14,653,141	3 "
" 20...	21,268,315	7,610,278	16,983,654	31,484,815	14,529,451	4 "
" 27...	20,909,819	8,002,846	13,842,718	31,412,190	14,500,019	4 "
June 3...	21,009,392	8,779,387	13,896,450	32,389,044	14,425,553	4 "
" 10...	21,080,460	9,782,830	13,783,263	33,240,192	14,556,121	4 "
" 17...	20,655,473	9,882,135	13,904,506	32,750,953	14,850,156	4 "
" 24...	20,525,655	10,279,053	13,809,996	32,756,459	15,026,118	4 "
July 1...	21,738,756	10,356,373	16,274,739	36,490,515	15,080,271	4 "
" 8...	22,038,478	5,593,834	18,595,718	34,647,336	14,824,969	4 "
" 15...	22,194,996	4,918,458	16,381,914	32,052,521	14,749,876	4 "
" 22...	22,230,612	5,386,948	14,675,625	30,975,774	14,620,372	4 "
Aug. 5...	22,340,809	5,577,268	13,790,855	30,289,227	14,843,185	4 "
" 12...	21,937,198	5,754,863	13,578,358	29,657,833	15,040,819	4 "
" 19...	22,003,176	6,126,668	13,005,322	29,503,127	15,081,152	4 "
" 26...	21,699,696	6,713,801	12,806,568	29,322,757	15,309,384	4 "
Sept. 2...	21,920,722	6,818,182	13,261,512	30,180,384	15,494,219	4 "
" 9...	21,646,811	6,997,402	12,909,484	29,919,543	15,345,488	4 "
" 16...	21,487,105	7,371,510	13,484,939	30,601,940	15,461,566	4 "
" 23...	21,515,731	8,291,491	12,859,580	30,960,809	15,532,338	4 "
" 30...	22,312,747	9,270,486	13,717,460	33,751,403	15,277,886	4 "
Oct. 7...	22,545,407	9,510,057	12,893,642	33,829,764	14,856,037	4 "

RETURNS OF THE CANADA BANKS.—We give below the Auditor's statement of the banks of Canada for January, May, August, and September, 1863:

	January.	May.	August.	September.
Capital authorized	\$35,266,666	\$35,266,666	\$35,266,666	\$35,266,666
Capital paid up.....	26,455,298	26,739,878	26,781,194	26,807,642
LIABILITIES.				
Notes in circulation.....	\$9,940,423	\$9,024,240	\$9,097,116	\$10,121,221
Balance due to other banks...	1,249,808	1,836,314	1,218,069	648,306
Deposits not bearing interest..	9,580,143	10,119,578	10,499,900	11,216,590
Deposits bearing interest.....	9,662,483	9,940,333	10,827,585	10,904,879
Total liabilities.....	\$30,382,357	\$30,920,465	\$31,642,670	\$32,890,996
ASSETS.				
Coin and bullion.....	\$5,615,519	\$5,394,927	\$6,913,042	\$7,247,381
Landed or other property	1,974,786	2,017,810	2,058,953	2,068,676
Government securities.....	5,027,739	4,990,334	4,802,248	4,803,250
Notes or bills of other banks..	1,132,788	1,087,414	1,424,161	1,405,385
Balances due from other banks.	2,143,238	1,050,523	1,683,838	1,856,699
Notes and bills discounted....	42,458,413	44,605,111	42,048,243	42,818,444
Other debts not before includ'd	2,629,681	2,758,772	2,908,427	2,921,563
Total.....	\$60,982,218	\$61,904,891	\$61,838,932	\$63,126,898

OFFICIAL LETTER OF CONTROLLER McCULLOUGH.

ANSWERS OF THE CONTROLLER OF THE CURRENCY TO QUESTIONS IN RELATION TO THE NATIONAL CURRENCY ACT.

We publish the following important Government document, as it forms a prominent feature in the financial history of the times, and should be preserved.

TREASURY DEPARTMENT,
OFFICE OF CONTROLLER OF THE CURRENCY, }
WASHINGTON, July 14, 1863.

Most of the questions presented to the Controller, in regard to the National Currency Act, have been answered in the forms and instructions which have been sent from this office, and by letters to the interrogators. There are a few, however, that can be more conveniently and satisfactorily answered in this form than in any other.

1st Question. Is there any "reasonable doubt" of the constitutionality of this Act?

Answer. The constitutionality of the Act of Congress establishing, in time of peace, a United States Bank, with power to locate in the States branches thereof, having been affirmatively decided by the Supreme Court of the United States, the constitutionality of the National Currency Act is not considered to be an open question.

In *ordinary* times the constitutionality of this Act would hardly be questioned; but in the existing emergency of the Government, engaged, as it is, in a war of gigantic proportions—with specie no longer a circulating medium—with a large internal revenue to be collected in the States and Territories, such a currency as is provided for in this Act is an absolute necessity. To deny to the Government, through such agencies as Congress might create, the power to provide a currency based upon its own resources, would be not only to deny its sovereignty, but its authority to perform properly and safely its acknowledged functions.

2d Question. What are stockholders of State Banks to gain by discontinuing their present organizations, and organizing under the national law?

Answer. The chief gain will be in a circulation of notes, which cannot long be secured through the agency of State institutions. Legal tender notes have created a taste and prepared the way for a national bank note circulation. These notes, in all sections of the country, have a better credit and are in greater demand than the notes of the strongest banks. Country bankers, notwithstanding the largeness of the issue, find it difficult to supply the call for them, and are frequently under the necessity of ordering them, at considerable expense, from commercial points, to meet the demand that will not be satisfied with anything else. The preference for these notes is not *chiefly* to be attributed to the fact that they are a "legal tender," but to the fact that they are *Government money*, and must be good, if the Government is good. I do not say that their general credit is not, *in a measure*, owing to the fact that they are declared to be "lawful money," or that it was not necessary to make them so, to place them beyond the influences that might, at the time, have been combined to depreciate them; but I *do* say, that the people, who control the currency, as they do the legislation of the country, prefer legal tenders to bank notes, because they

are Government issues, are receivable for Government dues, and must, every dollar of them, be redeemed, if the Government is maintained.

The National Bank Note circulation is intended gradually to take the place of the direct issues of the Government. It is not expected that it will, at once, have the credit that has been attained by the "legal tenders," nor that the notes of the National Associations, scattered from Maine to California, will be of absolutely uniform value throughout the Union; but it is expected that these notes, sustained by the credit and secured by the resources of the nation, receivable for all public dues, except duties upon imports, and in payment of all claims against the Government, and, in case of the failure of the banks, to be redeemed at the Treasury of the United States, will challenge, to a greater degree, the public confidence, and possess more uniformity of value than can be attained by the issues of the best managed State institutions. I will go further than this: through the instrumentality of Clearing-Houses, or Redeeming Agencies, which, in due time, may become a necessary feature of the system, the notes of the National Banks, wherever situated, will be as nearly of uniform value throughout the Union as the commercial interests of the country will require.

There will not be, in my judgment, for any considerable time, two systems of corporate banking (one State and the other National) in the United States; not that there is a necessary antagonism between the two systems, but because both will not be equally acceptable to the people and equally profitable to the banker. One or the other will fully occupy the field; and, aside from the manner in which the National system is being regarded by the people, and the rapidity with which National Associations are being formed, it requires no spirit of prophecy to predict which of the two is destined to give way. The losses which the people have sustained by bank failures; the inadequate protection which State legislation, with rare exceptions, has given to the bill-holders; the fact that the good credit of the issues of the strongest and best conducted State Banks, outside of the States or the section where they exist, is not the result of public confidence in their solvency, but of the influence of bankers and money dealers, who can as easily depress that credit as they can sustain it, and who do not unfrequently depress or sustain it, as suits their own interests or convenience alone; that all the credit that State Banks have at a distance from home is artificial and unreliable: all these things have given rise to a wide-spread dissatisfaction with the existing bank note circulation, and created a popular desire for a circulation, of whose solvency there can be no question, and whose credit will not be at the mercy of bank note brokers.

The Government of the United States is not to be overthrown by the attempted secession of the Southern States, and the war in which it is engaged. On the contrary, it will be vastly strengthened by the severe ordeal to which it is being subjected—strengthened by the evidence, which is every day being exhibited, of its inherent power, and the conviction that is constantly spreading and deepening in the minds of the people, that their personal destinies are identified with it—strengthened by the very debt it is contracting, and the evidences of value that are to be based upon this debt.

Banks whose issues are secured by the Government, and which are to become the financial agents of the Government, will, in my opinion, ere long, be the only ones that will be tolerated by the people; and if the banks of the older and richer States continue, as they have done, and are now to a large extent doing, to furnish the newer and less wealthy States

with a bank note circulation, they will have to do it through the agency of National Banks. In availing themselves of the National Currency Act, for loaning their capital and credit to the people of the new States, they will have the satisfaction of knowing that while adding to their own wealth, they are strengthening the Government, and creating a powerful influence against repudiation, by aiding in furnishing to the people a circulation secured by the stocks, and representing the unity of the nation.

Aside from the matter of circulation, the National Currency Act is as favorable to bankers as the banking laws of most of the States. Should it prove to be too stringent, it is safe to expect that such amendments will be made to it as will accommodate it to the reasonable requirements of capitalists, and the want of a great and growing nation.

Question. Will State Banks be furnished with the national circulation, according to the provisions of the 63d section of the Act?

Answer. This section is a part of the law, and must be obeyed. I have hoped, however, that very few banks would claim the advantages of it. The engrafting upon a national system of banking of a provision that, to some extent, *denationalizes* it, was, in my opinion, a great mistake. Nor can I understand how State Banks, without the aid of State legislation, can avail themselves of the provisions of this section without violating their charters, or the laws under which they are incorporated. But if enabling acts, authorizing State Banks to circulate the National Currency, have been or should be passed by the Legislatures of the proper States, I should still regret being compelled to furnish this currency to institutions over which the Government can exercise no supervision or control. I trust that few banks will deposit bonds and claim circulation, under the 62d section, but that the stockholders of solvent banks, who desire to connect themselves with the system, will do so, by availing themselves of the privileges of the 61st section, or, what would be better still, by winding up their present State institutions, and organizing new associations, independent of the old ones. The intention of the law was to provide a national circulation through the agency of National Banks, which should be subject to Government supervision and control. Nothing would be more sure to destroy the symmetry of the system, or be more likely to bring it into disrepute, than a distribution among the banking institutions of the States, ("good, bad and indifferent,") of the national currency. I must, however, obey the law, and unless prevented from doing so, by a judicial decision or an authoritative opinion, I shall furnish circulation under the section referred to as soon as it can be provided. As notes will be first supplied to Associations, organized under the Act, it is not likely that State Banks can be supplied, to any considerable extent, before the early part of the next year.

Question. Is it expected that State Banks that may become National Associations under the 61st section of the Act will give up their present corporate names?

Answer. Before I entered upon the discharge of my duties as Controller of the Currency, the Secretary of the Treasury, after much consideration, had come to the conclusion, as a National Currency was to be provided through the instrumentality of National Banking Associations, that all such associations should have a common name. Persons forming associations under the act have, therefore, been advised to take the names of First, Second, Third, &c., National Banks of the places in which they are established, according to the order of organization. This rule is expected to be ob-

served by State Banks that may be converted into National Banks, under the 61st section of the Act, as well as by original associations.

If, in their new organizations, they desire to retain, in some way, their former corporate names, it must be done in such manner as will not interfere with the symmetry of the circulation which is to be furnished to them, nor render illegal their acts as National Associations. All who connect themselves with this system have a common interest in making it symmetrical and harmonious, as well as national. The retention by State Banks of their present corporate names, some of them long, and differing from others only in locality, would prevent this, and interfere with the uniformity which it is desirable to maintain in the national circulation.

I know with what tenacity and pride the managers of old and well conducted banks cling to the names which their ability and integrity have done so much to make honorable; but I would suggest to them that it will be an easy matter for them to transfer to National Institutions the credit which they and their predecessors have given to State Institutions; that it is not the name of a Bank, but the character of the men who conduct its affairs, and the character of its securities, that give to it the confidence of the public.

The Merchants' Bank of Boston will not lose a particle of credit by becoming the First National Bank of Boston; on the contrary, its credit will be improved by it. Nor would the stock of the Chemical Bank of New York be a whit the less valuable, nor would its reputation be in the slightest degree lessened, by its becoming the tenth or the fiftieth National Bank of New York.

H. McCULLOCH, *Controller.*

STATISTICS OF TRADE AND COMMERCE.

BREADSTUFFS—EXPORTS TO GREAT BRITAIN AND IRELAND—CROPS FOR 1863.

It will be seen by the tables which we give below, that there has been a great falling off in the export of breadstuffs the past year compared with the two previous years. Prices, too, have been lower, so that there is a much greater decrease in the value exported. For instance, the price of wheat at London, August 19, 1863, was 45s. 11d. per quarter, or \$1 38 per bushel; but at the same time in 1862 it was 57s. 4d., or \$1 82 per bushel. The whole amount exported to Europe for the year from September 1, 1862 to September 1, 1863, is as follows:

Flour, bbls.	Wheat, bush.	Corn, bush.	Estimated value in U. S. currency.
1,692,992	25,510,504	10,403,313	\$58,819,110

The coming year still less will be needed in Europe from the United States. The excellent harvests in England and France will supply their wants in a great measure. The latest accounts from Great Britain, however, are not as favorable as those previously received—recent rains having done much injury. Yet our advices are, that the surplus yield of wheat, contrasted with ordinary years, will be 1,500,000 quarters, and that the weight will exceed the standard weight (usually 61½ lbs.) by about 3 or 4 lbs. In view of these facts, and the reports from the Continent, we must of course expect a great falling off in the demand for our breadstuffs

in the coming year, unless some unexpected event should hapen, like, for instance, a war between England, France, and Russia. In that case, the ordinary supply from Russia would be cut off, and we should be called upon to furnish her quota.

EXPORT OF BREADSTUFFS TO GREAT BRITAIN AND IRELAND, FROM SEPT. 1ST, 1862, TO SEPT. 1ST, 1863.

From	Flour, bbls.	Corn meal, bbls.	Wheat, bush.	Corn, bush.
New York.....	1,164,119	1,064	20,471,480	9,836,826
Philadelphia....	121,927	33	1,134,318	201,368
Baltimore.....	46,553	..	306,105	270,074
Boston.....	46,123	50	.....	16,088
Other ports....	100,691	..	1,255,307	10,000
	Flour, bbls.	Corn meal, bbls.	Wheat, bush.	Corn, bush.
1862-63.....	1,479,413	1,147	23,167,190	10,334,356
1861-62.....	2,672,515	1,124	25,754,709	14,084,168
1860-61.....	2,561,661	4,416	25,553,370	11,705,034
1859-60.....	717,156	944	4,938,714	2,221,857
1858-59.....	106,457	58	439,010	342,013
1857-58.....	1,295,430	143	6,555,643	3,317,802
1856-57.....	849,600	685	7,479,401	4,746,278
1855-56.....	1,641,265	6,816	7,956,406	6,731,161
1854-55.....	175,209	4,768	324,427	6,679,138
1853-54.....	1,846,920	41,726	6,038,003	6,049,371
1852-53.....	1,600,449	100	4,823,519	1,425,278
1851-52.....	1,427,442	1,780	2,728,442	1,487,398
1850-51.....	1,559,584	5,620	1,496,355	2,205,601
1849-50.....	574,757	6,411	461,276	4,753,358
1848-49.....	1,137,556	82,900	1,140,194	12,685,260
1847-48.....	182,583	108,534	241,300	4,390,226
1846-47.....	3,155,845	844,188	4,000,359	17,157,659
Total for 17 years.	22,983,842	1,111,260	123,098,318	110,315,958

TO THE CONTINENT, FROM NEW YORK AND OTHER PORTS.

	Flour, bbls.	Wheat, bush.	Corn, bush.	Rye, bush.
1862-63.....	213,579	2,343,314	68,957	435,205
1861-62.....	626,672	7,617,472	322,074	1,612,926
1860-61.....	142,129	3,452,496	101,145	347,258
1859-60.....	49,243	178,031	19,358	.....
1858-59.....	51,383	57,845	25,519	.....
1857-58.....	303,100	390,428	16,848	13,100
1856-57.....	483,344	2,875,653	543,590	216,162
1855-56.....	748,408	2,610,079	282,083	1,975,178
1854-55.....	7,763	4,972	308,428	35,569
Total for 9 years..	2,625,626	19,530,290	1,688,002	4,635,398

In connection with the above, the following statement of the crops for 1862 and 1863, as returned to and estimated by the agricultural department at Washington, will be found of interest:

The answers returned to the circulars for September, of the Agricultural Department, asking information of the condition of the crops, are given in tenths, above or below the crop of 1862. During the summer the department made an estimate of

the amount of the crops of 1862. This estimate was based on the census returns of 1860. As the crop of 1859, which was taken by the census, was below the average, and that of 1862 much above, allowance was made for this difference, varying in its amount according as the agriculture of each State required. The general per cent increase of each State was added. One fourth of the amount given in the census was struck off from the returns for Missouri and Kentucky on account of the war. Thus calculated, the crops of 1862 were made the basis for estimating those of 1863, according to the tenths, increase or decrease, of each State, as reported by the correspondents of the department.

The summer crops, wheat, rye, barley, and oats, for 1862 and 1863, were as follows :

	Wheat.	Rye.	Barley.	Oats.
Total 1863...bush.	191,068,239	20,798,287	16,760,597	174,858,167
Total 1862.....	189,993,500	21,254,956	17,781,464	172,520,997
	* 1,074,739	† 456,669	† 1,020,867	* 2,327,170

The fall crops of corn, buckwheat, and potatoes, for 1862 and 1863, were as follows:

	Corn.	Buckwheat.	Potatoes.
Total 1862.....bush.	586,704,474	17,922,995	113,533,118
Total 1863.....	449,163,894	17,193,233	97,870,035
Decrease.....	137,540,580	1,529,762	15,663,083

The monthly report of the department for September shows that the amount of wheat and flour exported to all countries for the year ending September 1, 1863, is 40,686,308 bushels, and of corn 11,680,343 bushels. The domestic consumption, then, is as follows:

Wheat crop for 1862.bush.	189,993,500	Corn crop for 1862...bush.	586,704,474
Exported	40,686,308	Exported	11,680,342
Domestic consumption..	149,307,192	Domestic consumption..	575,024,132

These exports and domestic consumption exhibit the relative magnitude of the foreign and domestic markets.

The report examines the probable foreign demand for breadstuffs during 1864, and shows that the principal portion of our exports of breadstuffs are purchased in the English markets; that the average annual importations of all grains with Great Britain and Ireland are 94,278,949 American bushels; but in 1860 the importation was 135,386,434 bushels, and in 1861, 142,529,106 bushels; that it was as great in 1862, but not so large in 1863; that from the present condition of the crops in England, the demand for 1864 would return to the general average, rather than to the great amount since 1860; that the home demand for 1864 would be at least equal to that for 1863, and that the condition of the currency would remain as favorable as it now is; that hence the amounts of wheat and corn for 1864 would be as follows:

Wheat crop for 1863.bush.	191,068,239	Corn crop for 1863...bush.	449,163,894
Domestic consumption....	149,307,192	Domestic consumption....	575,024,132
Leaving for export.....	41,761,047	Leaving a deficiency of..	125,860,238

—which must be provided for by greater economy in feeding, and a greater proportional consumption of wheat.

The number of stock hogs is about the same as in 1862, and about five per cent below a general average in condition. These were early turned on the frosted corn.

The buckwheat crop is not as much injured as was generally supposed, because most of it is produced in the States of New York, New Jersey, and Pennsylvania, where the frosts of August 30, and September 18, did not injure the crops materially.

The tobacco crop of 1863 is larger than that of last year by nearly 50,000,000 lbs., although the frosts in the Western States were very injurious to it. But about one-half of the crop there had been gathered before the frost of September 18, and seventy-five per cent more ground had been planted than in 1862.

The hay crop of 1862 is estimated at 21,603,645 tons, that of 1863 at 19,980,462 tons—a decrease of 1,623,183 tons. Its quality is good.

* Increase. † Decrease.

VALUATION OF REAL AND PERSONAL PROPERTY OF THE STATE OF NEW YORK.

At a meeting of the Board of Equalization, held at the office of the Secretary of State, on the 23d September, a majority being present, the following resolution, on motion of Controller Robinson, was adopted:

Resolved, That the valuation, as now fixed by the Board of Equalization, and hereto annexed, and amounting in the aggregate to the sum of \$1,454,454,817, be and the same are hereby adopted, approved, and certified, as the equalized aggregate valuation of the real and personal property of each of the several counties of this State, and that the same duly certified by the chairman and secretary of this board, be deposited in the office of the Controller as the assessed amount upon which the said Controller is to compute the State tax for the year 1863, and that the said equalization, as made upon each separate county, be entered in the book of minutes of the proceedings of this board.

Albany	\$39,640,693	Onondaga	\$26,676,600
Alleghany	9,148,321	Ontario	19,181,263
Broome	9,021,100	Orange	26,350,113
Cattaraugus	8,548,366	Orleans	10,893,252
Cayuga	22,292,079	Oswego	13,032,095
Chautauqua	14,316,820	Otsego	12,322,037
Chemung	7,210,263	Putnam	5,457,976
Chemango	9,812,797	Queens	21,345,318
Clinton	5,662,707	Rensselaer	30,153,490
Columbia	21,915,177	Richmond	5,694,715
Cortland	6,237,819	Rockland	5,966,243
Delaware	8,194,252	Saratoga	12,345,237
Dutchess	33,871,584	Schenectady	7,305,794
Erie	47,086,595	Schoharie	7,146,713
Essex	3,355,377	Schuyler	5,507,289
Franklin	4,227,845	Seneca	10,523,440
Fulton	4,154,490	St. Lawrence	15,771,727
Genesee	15,931,530	Steuben	12,919,912
Greene	7,759,662	Suffolk	8,452,188
Hamilton	605,010	Sullivan	4,760,548
Herkimer	10,404,468	Tioga	6,942,397
Jefferson	16,458,826	Tompkins	8,715,849
Kings	98,147,604	Ulster	14,883,049
Lewis	5,391,577	Warren	2,143,469
Livingston	17,041,338	Washington	16,503,401
Madison	13,380,495	Wayne	16,036,115
Monroe	30,174,825	Westchester	41,685,997
Montgomery	9,659,631	Wyoming	9,729,568
New York	547,416,030	Yates	8,503,276
Niagara	15,285,475		
Oneida	24,709,962		
			\$1,454,454,817

State of New York, ss: We do hereby certify the foregoing to be a correct transcript of the original resolution this day adopted by the Board of Equalization.

D. R. FLOYD JONES, *Lt. Gov. and Pres. of Board.*

EBENEZER BLAKELY, *Secretary.*

THE MERCHANTS' MAGAZINE

AND COMMERCIAL REVIEW.

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THE
MERCHANTS' MAGAZINE
AND
COMMERCIAL REVIEW.

DECEMBER, 1863.

THE CRISIS IN EUROPE.

COTTON AN ABSORBENT OF SPECIE.

THE late news from Europe, of a sudden rise in the rates of interests at the great reservoirs of money, at a moment, too, of the realization of large harvests, admonishes the commercial world of the vast change which is taking place in the currents of commerce, and of the new condition of affairs that must result from a continuance of the present state of things for any length of time. Since the peace of 1815, the commerce of Western Europe has been immensely developed, and a material element of that development was the cotton drawn from the United States. Starting at comparatively small amounts, the purchases, mostly by England, rose to \$200,000,000 per annum of cotton alone, and that cotton was paid for altogether by the manufactured goods of England and Europe. Suddenly the supply from the United States ceased; the demand for goods stopped with it, and great distress resulted. Still, cotton must be had, and during the two last years the supply has been furnished by other countries, who demand not goods, but coin in payment, and at exorbitant rates. The drain of coin thus occasioned is producing the serious results of which the indications have reached us during the last few weeks. The normal condition of commerce left Great Britain largely in the United States' debt. The quantities of corn, cotton, tobacco, etc., which she purchased more than paid for the goods she sold to this country, and thus there remained a large balance due to the United States. This balance was drawn against in favor of France, for silks, wines, etc.; in favor of China, for tea, and of Brazil and Cuba, for coffee and sugar, in payment for all of which bills ran on London.

With France and the continent the operation was the reverse. She sold to the United States large amounts of goods in excess of her purchases, and for these goods she had a balance of bills running on London. To illustrate, the trade of France with the United States in 1860 was a follows:

France bought United States produce.....	\$40,834,986
Sold to United States direct.....	\$43,219,547
Sold to United States via Europe.....	16,979,110
	<hr/>
	60,198,659
Balance due France.....	\$19,363,673
Shipped in specie.....	21,371,986

Thus, France in 1860 sold enough goods to the United States to pay for all the produce she bought of us, and received \$21,371,986 in specie besides. In 1861 her purchases of cotton, etc., were as large as ever; but in the summer and fall the imports of goods into the United States suddenly ceased. The consequence was, that instead of paying for the cottons as usual, in goods, she was compelled to pay in specie. Inasmuch as she did not sell her goods, she was deficient \$40,000,000 of bills on England, and in October, 1861, the Bank of France suddenly lost \$15,197,581. To remedy this sudden loss, the Bank of France was compelled in the first week in November to raise its rate of interest to 6 per cent, as it has now done. The same cause which made money scarce in France made it cheap in England, and the Bank of France borrowed \$5,000,000 at ninety days through the house of Rothschild in London, and \$5,000,000 through the house of Baring. These amounts were drawn against, and carried the Bank over the exigency.

In regard to the United States, they had sold their cotton, tobacco, and rice, but did not buy the goods, consequently the import of specie was very large. The specie movement at New York for four years was as follows:

	1859.	1860.	1861.	1862.
Imports	\$2,816,421	\$8,852,330	\$37,088,413	\$1,311,964
Exports	69,715,866	42,191,171	4,236,250	61,872,391
Excess imports.. ..			\$32,852,163	
“ exports.. ..	\$66,899,445	\$33,338,841		\$60,560,427

This table shows the great perturbation which the war caused in the specie movement. The regular current of exports was checked, and a large amount of coin came back. Fortunately for the United States, at the moment when this cotton fund which paid so much of our imports was cut off, the circumstances of the crops in England and France required a large amount of United States food. The export of breadstuffs stepped in to supply the lack of cotton, and the drain of gold from this country, that would otherwise have been excessive, was checked. Meantime the supply of cotton from other sources has grown up, and with it an intense demand for money. The course of this trade has been rapid. Great Britain was the chief recipient of the cotton crops, and in 1861 purchased 1,262,607,800 lbs., for which she paid \$190,000,000, mostly in goods. The largest portion of the cotton—80 per cent of the whole—was of United States origin, and was of a quality and cheapness that could not elsewhere be reached. Indeed, as long as the United States crop was in full supply, that of India, Egypt, Brazil, etc., was only in incidental demand, and at prices which barely remunerated the grower, since long transportation and shipping charges absorbed most of the proceeds. When the United States supply was entirely cut off the prices rose rapidly. The rates in Liverpool have been as follows for middling:

	N. Orleans.	E. Indies.	Egypt.	Brazil.
1860.....	13 cts.	8½	15½	16
1861.....	21	12½	20	20½
1862.....	55½	31½	49	51
1863.....	55	39	52½	55½

The natural effect of this immense rise in price in the Liverpool markets was to stimulate production in every country where cotton will grow. It is an immense bounty held out to all the world to raise cotton for the English spinners. The effect of such a bounty cannot be realized for some years, since the means of planting and growing on a large scale do not exist. A drawback upon the effort to meet the demand exists in the uncertainty of its continuance, since a cessation of the war and a resumption of the growth on the part of the Southern States would gradually destroy the market for other cottons, as none of them can compete either in quality or price with the United States descriptions. It is also the case that where a new and large demand is made upon a country for raw products the only means of payment is specie, because the markets for goods do not grow in the same proportion. The operation of the demand is manifest in the following table of the quantities and values imported into Great Britain from each country in the first seven months in 1861 and 1863;

COTTON IMPORTED INTO GREAT BRITAIN.

	1861.		1863.	
	Pounds.	Value.	Pounds.	Value.
United States..	758,881,000	\$116,108,938	2,399,697	\$997,770
Brazil.....	7,450,100	1,804,099	15,850,350	6,521,079
Egypt.....	28,802,700	4,867,529	63,108,337	26,345,455
East Indies....	117,202,200	12,385,347	174,863,812	57,599,835
Other countries	3,734,775	532,932	48,231,225	17,778,999
Total.....	916,070,775	\$135,198,845	304,353,421	\$118,243,138
Decrease.....			611,717,354	16,955,707

This is a curious result. In the present year England has procured only one-third of the quantity of cotton which she purchased in 1861, yet she has offered nearly three times the prices for it. In other words, the average price in 1861 was 14½ cents, and in the present year 38½ cents. The result of the demand is, that Brazil has received four times as much money as in 1861; Egypt, six times as much; India, nearly five times as much, and many minor sources of supply have increased some \$17,000,000 in value. The amount of it all is simply this—England has paid nearly as much in 1863 as she was called upon to disburse in 1861, but has got only one-third the cotton for it, and, what is of still greater importance, in the former year she paid mostly in goods, but this year she has been required to pay in the precious metals, or thus:

	1861.	1863.
Paid United States in goods.....	\$116,108,938	\$997,770
Paid other countries in specie.....	19,089,907	117,245,368

The payment of this large amount in specie has been possible only by reason of the supplies of the metal derived from the United States, which

in ceasing to supply cotton sent the gold to buy it elsewhere, and also food to make good the short harvests of England and Western Europe. The wealth thus conferred upon those comparatively poor and remote nations, at the expense of the wealthy central nations, will doubtless result in causing a greater growth of commerce with them hereafter. The capital, so planted, will doubtless become prolific of new industries when the usual course of trade in America, being resumed, shall have again caused their cotton industry to decline. The wants of the world are, however, so rapidly outgrowing the capacity of the United States to supply the cotton demand, that many years must elapse before, if ever, the old price is reached.

Meantime, the high prices of cotton, which have brought out these large supplies that are to be paid for in specie, continue to operate. The quantity arriving in England is increasing, and, as a consequence, the sum of coin to go becomes greater. For nine months, last year, the sum was £11,000,000, this year it is £26,000,000; next year, the amount may be again doubled, and the figures become formidable. Already they exceed the sum of the joint production of California and Australia. At the same moment, the political differences in Europe have caused much hoarding of gold, and the exports of the metals from England, for nine months, have been as follows:

	Silver.	Gold.	Total.
To Europe.....	\$7,689,620	\$38,583,375	\$46,272,995
To India, etc.....	31,736,970	15,817,650	47,554,620
Total	39,426,590	54,401,025	93,827,615

This drain of specie, added to the hoarding in Europe, has now produced pressure in Europe and England, both. The losses of the Bank of France compelled her, some time since, to raise the rate of interest to five per cent, and this was suddenly followed by the Bank of England on the 3rd to five per cent, and on the 5th to six per cent. The Bank of France immediately put the rate up to six per cent, and money rose in value in most other cities.

This has taken place, notwithstanding that the crops were never better than this year. Probably the crops are \$300,000,000 better in England and Western Europe than last season, and very fortunately so, since if they were compelled to purchase goods as largely as last year, the crisis would be greatly intensified. As far as England goes, it appears to be more a demand for money than capital, since the latter seems to be very abundant. That abundance, however, it must be borne in mind, is born of the great plenty and cheapness of money during the last two years, in which, although there has been much suffering among operatives for want of work, the manufacturers and holders of goods have realized fortunes in the rise of prices, which the forced diminution of production brought about. The reverse of the picture is now at hand: money is becoming very dear, goods hereafter can be produced only at enormously increased cost, the consumption will be, of course, reduced, and ability to export on former terms greatly lessened. She will be obliged to pay coin for materials, and compelled to sell her goods very cheap to get that coin. Other nations will be able to compete with her on better terms. Another year, too, may find her harvests deficient, and the chances are that the commercial preponderance of England may pass away amidst a suspension of specie payments brought about by the causes to which we have alluded, and which are daily being developed.

THE DEPRECIATION OF GOLD.

Of the fluctuations that take place in the value of money, those which occur during limited periods and are governed by the greater or less emissions of *paper* money are the ones chiefly occupying the attention of merchants and bankers; and yet such fluctuations are by no means confined to a paper currency, nor restricted within the limit of a few weeks or months.

The ease with which paper may be put out or retired make the changes in prices dependent on its action more frequent and marked than those which attend the far more important, though slower, mutations in the value of the metallic currency recognized among all civilized nations. As these usually extend beyond the limits of a life-time, and produce results only in the lapse of generations, they interest less individuals engaged only in looking after their individual fortunes than they do the statesman who has, with a wise forecast, to care for the future of the nation over whose councils he is called to preside. Hitherto, in the experience of the world, money has been formed of the precious metals, because its value is very generally recognized, because it has an intrinsic value, and because that value has been more stable than that of most other commodities. Much discussion has, however, arisen of late as to the probable effect of the greatly increased supply of gold—whether it will not and has not caused a corresponding depreciation in the value of the precious metals. In a former number of the magazine we gave our reasons for believing that, compared with silver, gold would retain its relative value. We now propose, by very briefly tracing the history of the precious metals and their fluctuations, to show that, notwithstanding this wonderful increase in the production of gold, there is no reason for concluding the precious metals will depreciate. There will be, as there has been heretofore, fluctuations in its value—seasons of abundance and scarcity—but no permanent depreciation.

And in this connection it is important to remember that the fact that gold and silver have been used as currency constitutes, in a great measure, their intrinsic value. It is no doubt the case that a great deal of time, labor, and expenditure of capital are required to produce gold; but that expenditure is incurred because the gold is the universal currency. Take that function from it and one year's product in California would glut the markets of the world, and gold would be a very cheap metal. In the early ages of commerce, however, there was no California, and gold was supplied no faster than the comparatively limited numbers of the people and commerce of the world required. With the rising power of the Roman empire, absorbing the vast commerce of Carthage and adjoining States, the wealth and commerce of the world were concentrated, and the supplies of the precious metals governed prices in imperial Rome. The military operations of the empire required large expenditure, which were gathered from the lands and producers of that day. The taxes so imposed were proportioned to the prices which commodities commanded in the currency of that age. But the Roman world was surrounded with populous but barbarous nations, which were to be civilized and taught the arts of peace through the power of the Roman arms. Just so fast as new nations made progress in the production of wealth, and consequently in commerce, just so fast they required a portion of that gold currency which had theretofore only sufficed for the

wants of the imperial country. As there was no means of increasing the supplies of the precious metals, money became scarce in Rome. The imperial expenditures were, however, kept up *per force* at the former rate, and the weight of taxation increased in proportion as gold became dear, until towns and provinces were crushed and wealth perished where production ceased. During fifteen centuries succeeding the Christian era the value of gold rose in proportion to other commodities. From the time of AUGUSTUS to the discovery of the American mines it rose one-third in value.

As extended industry, increased wealth, and commerce were developed, the want of money was urgently felt, and many devices were resorted to, to make a "little money go a great ways." The favorite mode of doing this was to reduce the quantity of metal in the current coins. In England, from 1066 to the end of the eighteenth century, seven hundred and fifty years, the weight of silver coin was reduced thirteen times. One pound weight of silver was originally coined into twenty shillings, but the number of shillings was gradually increased until one pound of silver sufficed for sixty-six shillings. The same quantity of metal was made to do greater duty. The gold coins have fared worse. They have undergone twenty-four successive alterations, until an ounce of gold, instead of 20s. 10½d., is now made into 77s. 10½d. In Scotland, the quantity of silver in the same coin is reduced to one-fortieth of its original quantity. In every country of Europe, as wealth and trade demanded more money, without there being any means of increasing the supply of the material, the old stock was spread out more thinly to supply the deficiency. This was not done without great distress. The constant downward tendency of prices, occasionally relieved by the change of standard, which benefited debtors at the expense of creditors, was severely felt by the industrious masses. The progress of England and Western Europe may be said to have been strangled by the want of money. In the reign of HENRY VIII., the coin was greatly reduced. Under HENRY VII., one pound of silver had been coined into 37s. 6d.; it was now coined into 140s. 4d. This produced disaster. At that juncture, while the world was so suffering, the discovery of the mines of America poured forth relief. An immense supply of the metals made its presence felt, and enabled ELIZABETH to restore the English pound of silver to sixty shillings. Under the influence of this supply of metals, the trade of England and the prosperity of Western Europe took a new start. Commerce became more developed and prices improved, thus absorbing the metals. M. CHEVALIER estimates that in the last three centuries the mines have added \$10,000,000,000 to the supply of the metals, and the supply has had a three-fold operation. It has measurably supplanted barter trade with money transactions; it has raised the level of prices, by diminishing the value of money; and has stimulated the production of wealth, by increasing the reward of labor. This greater supply of money benefited producers at the expense of capitalists. Gradually, population and wealth increased faster than the supply of the metals. Money was again becoming dear, because of the vastly increased area for its use and the vigor of the demand for circulation. When peace took place in Europe, in 1815, and trade was everywhere resumed with vigor, under the influence of steam and new inventions, the demand for money was still greater, and it became perceptibly scarce, so much so as to produce the greatest distress among the people. In Great Britain, the distress manifested itself in popular disturbances, and resulted in the passage of the Reform Bill, which was supposed to be one

remedy for the prevailing trouble. The same causes produced the revolution in France in 1830, in Poland, in Spain, and the separation of Belgium from Holland. Financial revulsions were frequent, from paper inflations, that were designed to remedy the want of money which was strangling industry. The gold mines of the Ural Mountains then began to affect the markets of the world, and increased the supplies of the metals. But it was only when the common cause of distress produced the revolution in Europe, in 1848, that the era of relief was reached. The gold of California was then discovered, and began to pour its fertilizing stream over Europe at the moment a new Napoleon restored the empire to France. Australia soon after added its supplies, and since then Siberia, California, and Australia have vied with each other in furnishing the precious metals to the use of Europe. As a consequence, the general prosperity has been marvelous. The exports of the great nations have more than doubled. Prices have advanced, rents have risen, and the debtor classes have found their burdens gradually lightened at the expense of the creditors. The immense national debts of England and France have been virtually greatly reduced by the fact of a cheapened currency, in which the taxes are paid.

There is no prospect of any diminished yield to the mines. On the other hand, new mines on the Pacific slope, of greater richness, are continually discovered, and those of Mexico are now likely to be more efficiently worked. In South America, Major RICKARDS, inspector of the mines for the Argentine Republic, gives the most glowing descriptions of the exhaustless nature of the mines of the Andes. All these are only second to the great promise of the Siberian mines. In short, Australia, California, Oregon, Mexico, British Colombia, South America, and Russia all promise increasing supplies for at least a century to come.

With this prospect before the world, it would be natural to expect a great permanent depreciation in the value of the metals. Still, we do not think it will be the case, for there are counteracting agencies at work. Thus, for instance, in what has been said above, we have seen that there have been periods in the world's history, other than the present, when the precious metals were abundant; but they have been invariably followed by periods of scarcity; that the cause of this abundance was the sudden increase in production, as is the case now, but this increase stimulated industry, until the metals became spread over a greater surface of the earth, and then another season of scarcity followed. This same agency is at work now, and although the production of gold has greatly increased, it is rapidly being carried into new countries where there is a demand for it. Many seem to forget that really *a very small portion of the human race is yet stocked with gold.*

A professor of the University of Berlin has recently published the result of his researches as to the population of the earth, according to which Europe contains 272,000,000, Asia 750,000,000, Africa 89,000,000, America 200,000,000, and Polynesia 2,000,000—a grand total of 1,283,000,000 inhabitants. The population of Europe is not yet stocked with metals in a degree sufficient to produce any marked change in value. Of the population of America, about 50,000,000 may be added to that of Europe and we shall have 322,000,000, or not one-fourth of the human race, that are as yet under the influence of civilized commerce. Thanks to steam and other appliances, however, commerce is fast extending itself. The vast population of China, with their industrious habits and trading propensities, are

yet mostly addicted to barter, but are thoroughly inoculated with the love of gold. The large population of India absorbs immense sums. In the last fifteen years, \$600,000,000 of specie has been sent thither from Europe. Africa is being penetrated by traders, and the circle of her commerce extending. At the same time gold is drawing crowds of industrious persons into the hitherto wild regions of Siberia, Australia, and California. Each of these gold seekers produces a value four times as great as before, and, as a consequence, employs four times as many producers of other commodities. In each of these regions new nations of great wealth are forming.

It follows that while new sources of gold supply are being discovered, still larger fields for its employment and absorption are being explored and opened. As if to give a new impulse to this outward current of gold, the vast production of American cotton is suspended, and India, Egypt, Brazil, and many countries of Africa are called upon to furnish cotton, to the extent of their capacities, at fabulous prices. The cotton fields of those countries have become to them rich placers, which attract gold in unwonted streams, raising prices, advancing values, stimulating industry, and promoting the general wealth.

It is obvious that if these or similar elements are to remain in full operation, expanded to gigantic proportions in the lapse of a prosperous century, there will be not only no depreciation in gold, but the present production will even fail to supply the increased demand.

THE MONETARY UNIT AND FINANCIAL ECONOMY.

NORWITHSTANDING the numerous pages I have contributed to your magazine on the subject of Political Economy, I have never given you my ideal of the true system of national finance. Dealing with things as they are, and opposing the factitious principles and arrangements of a false economy, I have scarcely thought it worth while to present views that may be deemed abstractions, however desirable may be their attainment. But it is clear to my mind that an entire change in our system of currency is inaugurated by the necessity on the part of the Government of providing a circulating medium in obtaining a loan of capital from the people. Common sense at once discovers the sophistry of the old system by contrast with the new. The people see that the capital they are now lending without interest on Government notes, they have all along been lending on bank notes, not only without interest, but that they have been needlessly and very absurdly paying interest on their own capital thus loaned to bring the bank notes into being—a system which has compelled the sale of goods on credit and covered the traders of the country with embarrassment. In this way they have been under the necessity of lending capital when they have no capital to lend—when their normal and necessary condition is that of borrowers.

With this knowledge, and the manifest advantage of *cash* sales, consequent upon a pre-existing circulating medium in the place of so much bank debt, besides the saving of taxes needlessly imposed for the benefit of fundholders on so much public stock that would otherwise be created, the public will surely give to the bank debt currency system leave to with-

draw. I consider it to be already virtually dead, requiring only an act of taxation to bury it beyond resurrection. Whatever good there is to follow will depend upon the aggregate truth and faithfulness to honest principle and real science in the ideas of the people. I wish, therefore, to present mine, however impracticable they may seem, as a contribution to the fund of general intelligence on which our future currency and financial economy must be founded.

It is not the proper business of traders in merchandise to lend capital. It is the business of banks and bankers to deal in loanable capital, and of traders generally to buy and sell goods, and borrow capital of banks and bankers when necessary or desirable. In this natural and proper way of doing business, the loans of the banks would be vastly increased, in being limited only by the amount of capital they could borrow. When we reflect on the great amount of merchandise sold on credit in this country, all of which is somebody's capital loaned and borrowed, we may form some conception of the vast business that would flow through the banks if they would give it freedom from the crippling operation of their debt currency in demand liabilities for debt against debt—for fiction against fiction.

My ideal of the true system of finance is, that everything unreal, factitious, and difficult of comprehension, in respect to it, should be discarded. I would, therefore, discard the unstable dollar to begin with, and adopt the troy ounce of gold as the unit of price and value; for the dollar is almost a myth, it means everything and nothing, in common apprehension, and is really a mysterious thing to some intelligent minds. It is silver, of various weights and various degrees of purity; it is of gold, or it is of paper, according to the notions that happen to prevail in any country where it is adopted as a medium or instrument of exchange. Nobody knows where it came from, nor when it first appeared on the face of the earth. Its authentic written history dates back to the beginning of the sixteenth century, when it became known in Bohemia as an ounce of silver of a certain purity and accuracy of coinage, which made it a reliable equivalent and instrument of exchange. Now it has shrunk in that country to 14 dwts. and $6\frac{1}{2}$ grs., alloyed one-fourth; it is the "thaler," worth about 70 cents by our gold measure. In Italy, it is the "talavo," weighing 18 dwts. and 22 grs., alloyed 40 per cent, worth about $71\frac{1}{2}$ cents. In Spain, it weighs 17 dwts. and 8 grs., and would be worth here as bullion \$1.06, payable in gold, and as a foreign coin it would fetch \$1.09 or \$1.10 for export to China. Our old silver dollar, coined prior to 1834, weighed 17 dwts. and 10 grs., and would now exchange as bullion for $\$1.06\frac{1}{4}$ of gold. Recently, our dollar was, of gold, alloyed one-tenth, weighing 25.8 grs., worth 100 cents; to-day it is of paper, and the gold dollar is worth 156 or 157 cents. The legal paper dollar cannot be said to be worth anything—the worth it relates to being in our property, which the Government may take by taxation to pay it when necessary; it is not in the paper and in the property also, but we can borrow on the paper dollar 64 cents in gold. The passing of a paper dollar is merely borrowing capital on the credit of the promisor; it pays nothing. Thus we see the dollar is just about as uncertain a thing as can be contrived for an instrument of exchange; and the man who says it is always worth a hundred cents does not know what he is talking about. It is a staggering thing, thoroughly demoralized, that cheats one half of the community, and more

than nine-tenths of the traders, out of their just earnings. I would abolish it altogether.

I would have an established weight, a known reality, something plain to the commonest apprehension, as the unit of price and equivalent of other values. I would adopt the troy ounce of gold of the present standard purity, and coin the same in both a decimal and an octave division of numbers. There could be no mistake about this, and the Government could make nothing else of it but an ounce of gold. It would put at rest the fallacy that Government fixes the value of money by establishing the weight and purity of coin. Very few people comprehend that the act of the Government in coining is simply an act of inspection, like determining the quality and weight of a barrel of flour, and that the value depends, not upon the stamp, but upon the supply and demand in the one case as in the other. More gold cheapens gold, as more flour cheapens flour, and it could scarce fail to be seen, if bankers put upon the markets promises to deliver ounces of gold when they have none to deliver, that the promises being accepted as gold must produce a factitious increase of currency and local depreciation of gold in the market, and infallibly a loss to the community, dealing in such promises, of their whole amount. We cannot teach this truth to unpracticed thinkers upon the subject, because of the mysterious character of the dollar. It is an unequal fraction of the troy ounce, liable to alteration in character and quantity by the Government—everything by turns and nothing long—until people have come to consider it an artificial and temporary contrivance that anybody can make out of any sort of metal, or out of paper, as good as the best, with Governmental sanction.

An operation of this kind in wheat has recently been developed in Chicago, which illustrates, perfectly, the principle and effect of our fictitious currency. The warehousemen, seeing that their warehouses are replenished as fast as they are emptied, put upon the market warehouse certificates of wheat for delivery on demand, on their own account, when there was no such wheat; but they thought they could—and they generally could—meet the certificates without danger of defalcation. The consequence was, that there was constantly more wheat offered for sale in Chicago than had any existence.

A rudimental lesson in political economy was here plainly and practically taught. The owners of the wheat found its market price depressed to correspond with the apparent increase of quantity, and that they were competing against their own capital in the hands of the warehousemen for the sale of their own wheat. By the law of value, in supply and demand, they were losing, in the degradation of the value of wheat, as much as the fictitious certificates amounted to, and having acuteness enough to discover this in their special traffic, they procured the passage and enforcement of a law which put a stop to the damaging and abnormal business. Why had they not—why has not every man of common sense—acuteness enough to discover the same damaging principle in our fictitious currency? The owners of money, or of capital invested in the currency, are competitors against their own capital, precisely in the same way, and with the same result. Their warehousemen are the banks who issue on their own account certificates and credits for dollars of money, when there is no such money belonging either to themselves or others. The whole currency is depreciated by the imaginary dollars thus circulating in the

market; but the depreciation is in *value*, not in *price*, because the dollar is the unit and measure of price. The dollars of money lose so much of their exchange value, or purchasing powers, precisely like the bushels of wheat, by the offering in market of money that has no existence.

This simple truth is obscured by the mysterious character of the dollar; but as every person comprehends that an ounce of gold, like an ounce of anything else, may rise or fall in value, the adoption of the ounce as the unit of price would put an end to the sophistication by which the country is plundered of its capital in dealing with other countries, in paying a fictitious price of our own creation for imported commodities, while our exportable commodities must be sold to meet the foreign demand, in accordance with the measure of price of foreign markets, or remain at home. And it would abolish the iniquity by which individuals are plunged into bankruptcy and ruin, in making obligations to the banks and to each other to deliver dollars, or their equivalent in capital, never created, and which, consequently, can have no existence.

With the ounce for our unit in place of the dollar, the nomenclature of the inferior coins should be preserved of dime, cent, and mill. The following is a schedule of the proposed coins, with their equivalent values under our present gold dollar system:

1 ounce of gold—	10 dimes, or	100 cents, or	1,000 mills—equal to	\$18 60
$\frac{1}{2}$ " "	5 "	50 "	500 "	9 80
$\frac{1}{4}$ " "	2 $\frac{1}{2}$ "	25 "	250 "	4 65
$\frac{1}{8}$ " "	1 $\frac{1}{2}$ "	12 $\frac{1}{2}$ "	125 "	2 32 50
1 dime	"	10 "	100 "	1 86
$\frac{1}{2}$ " "	"	5 "	50 "	0 93
$\frac{1}{4}$ " "	"	2 $\frac{1}{2}$ "	25 "	0 36 50
1 cent of silver,	"	"	10 "	0 18 60
$\frac{1}{2}$ " "	"	"	5 "	0 09 30
$\frac{1}{4}$ " "	"	"	2 $\frac{1}{2}$ "	0 04 65
1 mill of nickel,	"	"	"	0 01 86
$\frac{1}{8}$ " "	"	"	"	0 00 93

The fractions of the dime, and, indeed, the dime itself, should be coined in the ring form, to avoid the diminutive size of the disk that would be unavoidable otherwise, in coins of such small weights. It would be better, for the sake of uniformity, to coin the fractions of the dime of gold than silver, which latter would be appropriated to the cent and its fractions, even if there should be some inconvenience in the diminutive size of the gold coins. Besides, gold is our staple product, rather than silver, and the greater the use we make of it the higher is its local value, and the more value we must obtain for it in international exchanges. The schedule, altogether, comprises precisely the same number of pieces as our existing coins. I think there would be no difficulty in expanding the diameter of the ring to avoid the inconvenience of diminutive size in any of the coins, and if the ounce, with its fractions, were coined solid, while the dime, with its fractions, were coined in a ring, the arrangement would be doubtless as convenient and as perfect as any that could be devised. Another, and perhaps weightier, argument in favor of the most extensive use of gold is, that it is our standard, and the closer we adhere to it in the coinage the more accurate are our values.

No one, accustomed to the use of a decimal currency, doubts its superiority to a system of vulgar fractions and duodecimals, like that of Great

Britain. But no system is perfect that does not admit of a ready division of the unit into eight parts, without remainder, to measure price by halves, quarters, and eighths, to correspond with the natural division of quantities. We do not buy the tenth of a bushel, or of a pound, or of a yard, of anything; we buy square quantities, and have square prices to pay for them; we need coins in square numbers to harmonize with this natural division of things. The currency of France is so inconvenient in this respect that French writers have proposed to abandon it for an octave system to measure price by eighths. But the diminutive nature of the French unit—the franc—is a still greater objection to it, because of the long array of figures required to express any considerable aggregate of prices. Our dollar is, in this respect, too small. The ounce, as here proposed, obviates this objection, while it provides a combination of decimal and octave numbers perfect for all purposes relating to the currency.

Troy weight is the most ancient of the weights used in Great Britain. It is the standard weight of the kingdom, and of course is referred to for the verification of all other weights. It has, from the earliest records of English commerce and science, been employed for the compounding of medicines, for the weighing of gold and silver and jewels, and for all experiments in chemistry and natural philosophy. It is, therefore, perfectly familiar to commerce and science, and while we employ it in weighing the precious metals the troy ounce seems to be the most natural as well as convenient weight for the unit of our money. It would be an effectual aid to the Government, in recovering its constitutional control of the currency of the nation, thus to change the nomenclature and the weight of the coins. We could the more readily distinguish the currency furnished by the Government from that created by the banks—accept the former, and discard the latter.

We should have, for a period, the trifling inconvenience of using the affix, *new*, for the new coins below the denomination of the ounce. We should say, the *new* dime, the *new* cent, and the *new* mill, until the old pieces were recoined or passed out of circulation; but this inconvenience would be no greater than we have already experienced in getting rid of the old silver dollars, and the old copper cents, which differ essentially in their value from the new ones. The process of changing the old currency to the new would be a very simple matter, which any schoolboy would at once comprehend. It would require merely to divide the sum of dollars and cents by the number 18.6; the quotient would be ounces and decimals of the ounce.

In the next place, I would recover the capital, that is, the money, belonging to our currency; an amount equal to about one tenth the sum of our circulating capital, or one twenty-fifth part of the whole property of the nation, which is now deficient, by gradually, if not rapidly, converting the paper into money; because it would be a gain of business, as well as of individual and national wealth, at every step. Our people must produce commodities to exchange for gold and silver to recover this capital, or they must produce the gold or silver itself. In either case, they acquire so much capital individually, and, at the same time, augment by so much the wealth of the nation; for the wealth of the nation is but the wealth of individuals.

If you owe me and I owe you \$1,000, our assets and liabilities are so far alike, and so far neither of us is worth anything; a re-exchange of ob-

ligations annihilates the debt. This is the principle of our debt currency, whether created by the banks or the Government; there is nothing in it, and when the kiting is no longer agreeable or possible to either of both parties, a set-off annihilates so much currency and so much *price* along with it. The element of the debt currency of the Government is unassessed taxation; individuals owe the Government, and the Government owes individuals an equal sum, the adjustment of which leaves just nothing at all. There is no wealth, therefore, in the Government debt; the wealth is in the property of the people that is bound to pay it; we cannot double the wealth by adding the debt to the capital or property that is bound for it. Obviously, were all the debt of the Government and the people instantly annihilated it would make no difference in the aggregate wealth of the nation. But if you or I owe \$1,000 of gold, it is so much capital that the Government may borrow on its Treasury notes, over and above anything it can have if the gold is not here, and a debt currency occupies its place; it is so much individual and national capital and wealth. I say, therefore, I would recover this capital to the currency and to the nation which is now repelled by the demand notes and credits of the banks, and by the notes of the Government. I would have the money flow into the national treasury, or currency bureau, naturally, and either retire the notes, as convenient, by paying out coin instead of the notes, or I would retain coin and bullion in reserve, ounce for ounce, against the outstanding notes, and thus convert them into certificates of deposit. It is the most preposterous nonsense in the world to suppose that money and the promise to pay it can both be kept in circulation together and made available as capital, and that we can thus eat our cake and have it too. If we circulate the promise, without reserving the money against it, we must part with the money and lose so much capital, absolutely, by the depreciation of the value of money to correspond with the factitious increase of the currency. If we circulate the money, or the certificate of deposit with the money in reserve against it, we possess so much the more capital or working wealth for the prosecution of war or the arts of peace.

Nothing can be more certain than the fact that there is never a deficiency of currency in this country when we are exporting gold and silver, and the heavy exports of these metals now taking place from New York and direct from California, with the large and increasing premium on gold, demonstrate a depreciation of its value, from a plethora of debt currency, which can only be accounted for by extreme ignorance of the first principles of political economy on the part of those who manage the fiscal concerns of the nation.

To check, for the present, this ruinous course of debt, depreciation, and loss of capital, the Government should authorize the chartered banks and individual bankers, who hold the purse strings of the nation, to borrow capital already invested in their bank notes and pre-existing "deposits" by the people, as well as the capital invested in the demand notes of the Government. This fund would be paid into the banks by its lenders, in the pre-existing circulating medium, and loaned to the Government by the banks without augmenting the currency or depreciating the value of money at all. The same funds, having been distributed by the disbursements of the Government, would return to the banks in the deposits of the people in a very few days or weeks, on the average, when they would

be loaned again; and they might thus be returned and reloaned fifty times without expanding the currency or doing any harm to the capital of the country.

There is an abundance of capital for this purpose in the hands of the people of the loyal States; it is increasing faster than it is being consumed; the consumption of the war only stimulates production so much the more in excess of the demand. Two wars like the present would not diminish the aggregate capital of the Northern and Western States a fraction, since our power of production exceeds any demand that can be brought upon it. Never since the nation was born has its general business been so active and profitable and its aggregate wealth increasing so fast as now.

But the Government is embarrassing itself and the nation by creating currency in the fictitious credits of banks, instead of borrowing capital loaned on the pre-created currency of these institutions and on its own pre-created notes. When loanable capital was going a-begging at 4 per cent per annum in 1861, and the Secretary of the Treasury was authorized to pay $7\frac{1}{2}$ per cent, with the currency reduced below the specie measure, the exchanges of the world consequently in our favor, and specie flowing into the country from all directions, he should have borrowed capital through their agency, and paid them a fair profit for it; instead of which he and they *kited* into existence a fictitious credit of \$150,000,000, increasing their demand liabilities from \$427,000,000 to about \$577,000,000, against \$87,000,000 of coin which they held, and thus created \$150,000,000, or thereabouts, of fictitious currency. Of course this depreciated our money, turned the foreign exchanges against the country, brought upon the banks a demand for specie which they could not meet, because they and all the other debtors of the country were being called upon to pay a spurious price of \$150,000,000, for which no equivalent value was ever created. When it comes to *paying* debt, instead of *kiting* it, a *value* must be produced and tendered—the product of capital and labor; the spurious price created by a debt currency declines with the decline of the volume of currency that makes it, and cannot be paid. An operation of this nature was taking effect in the fall of 1861. Money was being demanded to be taken out of the country for the \$150,000,000 of spurious currency, because enough of it had been put in circulation to exceed the natural money measure of the currency, to which extent it could not be paid; and the only alternative was a general suspension of money payments.

When gold and silver are mixed, and circulated as currency, there is a depreciation of their value, but there is a perfect compensation in the increase of capital. It is the same with wheat; an increase of quantity reduces its value, but it is an increase of capital and wealth, notwithstanding. The miner who produces gold, although the production reduces the value of gold, improves his fortune and increases the capital of the nation precisely as much as the miner who produces copper, or lead, or iron to an equivalent value; any surplus will be exported in exchange for other capital in either case. But he who produces a debt currency depreciates the value of gold and silver and expels so much capital in dead loss to the nation. There is no compensation, because there is no equivalent augmentation of capital to exchange for other capital. The wealth of the nation consists of *value*, not of *price*. It is well said by JOHN

STUART MILL, "If values remain the same, what becomes of price is immaterial, since the remuneration of producers does not depend upon how much money, but upon how much of consumable articles they obtain for their goods."

But to return to my ideal of the true system of financial economy. To recover the capital belonging to our currency, I would tax the debt currency of the banks out of existence, and restrain the paper issues of the Government, constantly, within the sum necessary to keep the foreign exchanges in favor of the United States, until the reserves should equal the circulating notes—a matter perfectly easy of accomplishment whenever the Government chooses to control the currency. The criterion of the natural money measure of our national currency is the nominal premium on sterling exchange of $9\frac{1}{2}$ per cent, because London is the great clearing-house or center of the exchanges of the commercial world. It is the purest folly in the world to permit this nominal premium to be exceeded while there is a dollar of paper or of bank balance of currency in existence, and the specie exported in consequence, as it is being exported now, is so much national capital thrown away.

I would have the Government issue no new notes payable to bearer, and none whatever of a less denomination than *two ounces*—equal to \$37 20 of our present currency—for general circulation, that the people may become accustomed to the use of *money*, and familiar with the truth that all the gold and silver we get is capital, which comes by the employment of labor, to the increase of business and of public and private wealth; while paper currency can be made by the ream or the bushel, without augmenting the business or the wealth of the nation a single fraction. It is only creating a false price and destroying so much paper in the production of moonshine. But I would have the Government institute a system of post-office orders, by which, in exchange for coin, all persons could be accommodated with small orders for any fractional part of an ounce or of two ounces, payable to order, drawn by one postmaster on another in any part of the United States, charging some small fee to cover the cost of transporting gold to maintain this system of money orders. This would be necessary to accommodate the poorer classes with a safe and convenient method of remittance, and all classes with the means of paying small bills at a distance, such as newspaper subscriptions and the like. But all the larger operations in exchange should be left to bankers—the Government drawing only to collect its balances and suit its own convenience. Let the Government provide the currency, and bank and bankers attend to legitimate banking and the general business of dealing in exchange.

The circulating notes, without exception, should be drawn to order; that they may be endorsed from hand to hand when required, and, like the notes of the Bank of England, they should never be reissued. These provisions are for security against counterfeiting. Two ounces would be a sufficient magnitude of value to induce careful inspection, and place the notes in the hands of traders and bankers who have more or less skill as well as experience in the examination of currency notes; and their constant renewal at the office of issue would place them under the frequent observation of the issuers and of the experts of the office. Between the retailer and the consumer, as it is now in England, there should be no circulating medium but coin.

The rapid progress in the arts, it is apparent to everybody, is not confined to honest purposes, and the art of counterfeiting circulating notes is quite as forward as any other. I have seen bank notes, spurious beyond question, and struck from a counterfeit plate, that, although accustomed to careful scrutiny of bank notes, I could not distinguish from the genuine, nor could any one but the engraver of the genuine plate, without whose aid the bank would never have known which note to repudiate and which to pay. An almost boundless field of operation for counterfeiters is now opened in the immense issue of Treasury demand notes; and the recent act provides an issue of small denominations to circulate among the poor and ignorant, and generally between retailer and consumer, where no paper currency should ever be employed. There is no point of redemption—no place where the notes are necessarily subject to the scrutiny of an expert, and the signatures are engraved, not written. Under these circumstances, can any one doubt that counterfeits will be abundant, and pass in the interior, if not in the large cities, as well as the genuine? It appears to me there is great danger that the Government, by and by, will not know its own issue; that our currency will be disorganized, and the whole financial system of the country demoralized and broken down by the unfortunate policy of relying upon and expanding paper currency issues for the conduct of the war.

If it be objected that coin can also be counterfeited, I reply that it is difficult to put together the conditions that will prevent the detection of a piece of counterfeit money. There are, I think, only two metals that will resist acids and combine to produce the specific gravity of gold, *i. e.*, platina and silver, the former being heavier and the latter lighter than gold. But platina is very difficult to work in coining. "It is so impossible that no considerable portion of it can be melted by the strongest heats of our furnaces," and it is the most costly metal, next to gold, that could be mingled in coin, being five or six times as valuable as silver and nearly half as valuable as gold. The amalgam of platina and silver can not, I think, be colored to resemble gold; it could be used for loading the coin, that is, the amalgam could be plated with gold; but the ring, in any event, would be very different from that of a piece of gold coin, and as the production would be troublesome and costly, I think the danger of counterfeiting with that admixture is not very imminent, although the most so, undoubtedly, of any, because of its quality of resisting acids and the possibly exact similitude in specific gravity. As to any other admixture, the general use of a specie currency would soon furnish every trade with experience and skill enough to detect the spurious coin. There is a well known instrument—a small balance—so contrived as to furnish the three measures necessary to determine the specific gravity of every piece of coin with much accuracy, namely, the weight, the circumference, and the thickness; so that with the application of acids also, there are more means of detecting false coin than false notes, and such as any proper degree of scrutiny would render effectual.

The charge of the currency, including the mint, should be given to a board of currency, with a bureau entirely separate from the Treasury, with offices of issue and redemption in most or all of the chief cities, and these should be loan offices also, where public loans may be negotiated and the money collected, and where the principal and interest would be paid. The currency notes should be paid only at the office where issued,

and where the necessary proportion of coin would be kept in reserve; otherwise their circulation, I think, could not easily be maintained, if at all, especially at the West; because New York, being the creditor city, the notes would command a premium at the West, and rush to the New York office continually for redemption. The gold, it seems to me, would be in one part of the country and the notes in another, or the Government would be put to unnecessary trouble and cost in transporting gold to provide for this tendency or condition of the exchanges. But the chief advantage of the separation from the Treasury, would be the division of labor and of risk. The business of attending to the details of the currency, in addition to managing the great fiscal concerns of the nation, is too much for one man; and if the Secretary of the Treasury should happen to be a rebel, or a thief, (an occurrence that has befallen us already,) immense disaster would be likely to result from his command of the treasure and entire financial resources of the Government. I would have him deal with the bureau of currency as with a national bank, and restricted to the command of his own balances provided according to law. To have the bullion reserves all massed in one deposit at a central office, would be too great a temptation to disorder, especially since rebellion has weakened the bonds of loyalty in the nation, and given us one unprincipled Secretary of the Treasury as an example which other bad men might follow.

In conclusion, I have to say that, although objecting to its financial policy, I am not an opponent of the existing administration. On the contrary, I desire to do everything in my power to promote the success of the Government, especially in the prosecution of the present righteous war—the result of a rebellion as causeless as it is wicked. Nor do I entertain any doubt of the purity of intention or patriotism of the present Secretary of the National Treasury. I only wish that his political economy may be as sound and intelligent as his politics. I believe that the plan herein proposed would tend effectually to check the unnatural and unnecessary increase of the public debt, which, in a false price, created by a false measure, is rolling up frightfully in obligations to be paid in real value; an unequal and improper charge upon the industry of the country, for the benefit of capitalists and the makers of spurious currency. And, finally, I believe that this plan, faithfully executed would restore to the nation, through its constituted authorities, the normal power and command, which it does not now possess, of its industry and capital in war or peace for all future time.

NAVIGABLE COMMUNICATION BETWEEN LAKE HURON, MICHIGAN, AND THE ST. LAWRENCE.

A COMMITTEE appointed by the Montreal Board of Trade to examine and report the most eligible route to the ocean for the productions of the great Western country has lately made a report, in which they recommend that route which was surveyed in 1856-7 by WALTER SHANLY, Civil Engineer, and in 1858-9 by T. S. CLARKE, Civil Engineer, namely, from the mouths of the French River, on the Georgian Bay, by way of Lake Nipissingue and the Mattawan and Ottawa Rivers to Montreal.

We give below copious extracts from this report, as this question is one of the very greatest interest. Yet, in our opinion, the Committee have failed to make out a clear case. Their chief endeavor would seem to be to show that the route proposed will be (1) shorter, and therefore (2) cheaper, and take (3) less time than any other. But we will let the Committee speak for themselves in regard to the advantages they expect trade will secure by this new avenue. They say :

The leading advantages to be secured by such a line of interior navigation as it is proposed to open, are to be classed under the following heads :

1st. *Time Saved*.—Because by this route grain could be taken from all ports on Lake Michigan and delivered to sea-going vessels in Montreal two days sooner than by the Welland route, or than by any other route that can be constructed ; and in fully eight days less than is required to lay down in the harbor of New York a cargo loaded in Chicago or Milwaukee. The better condition for final transfer to ocean vessels in which the grain will come to hand after the shorter as compared with the longer inland voyage is a point that will be conceded by all shippers, and is one of such moment that it should be prominently kept in view in contrasting the merits of the proposed route with the existing and more circuitous one between Lake Michigan and tide-water.

2d. *Expense saved*.—In the item of freight charges alone, the Montreal or Quebec merchant purchasing grain in Chicago or Milwaukee, can effect an average saving of fully four cents, after allowing a liberal estimate for tolls, on each bushel as compared with what it now costs him to bring it round by way of the Welland Canal ; while that which now goes from the same points to New York, by way of Lake Erie and the Hudson, at a cost, taking the average of the last eight years, of twenty-seven cents per bushel, can be delivered at the ship's side in our harbor for fifteen cents, or in Quebec for eighteen cents, per bushel, and, as already observed, in superior shipping order, not only on account of the shorter time it has been afloat, but also owing to the more favorable atmospheric conditions to which it has been subjected, in its passage through the cooling waters of the Ottawa.

As an index to what the saving in freight would amount to, even now, at the above differences in rates, we subjoin the following statement of grain, and flour reduced to grain, forwarded last year from Chicago, and received, by water only, at Montreal in 1862, and at New York in 1861.

Forwarded from Chicago by Lake and Railroad	bush.	56,477,104
Total receipts at Montreal by Canal only.....		15,227,878
Total receipts at New York from Canals only.....		55,905,844

This all sounds very plausible ; but if we turn to the figures given they do not, in our opinion, justify such favorable conclusions. For instance, the Committee say :

The relative distances between the furthest west Lake-port, Chicago, and our seaport of Montreal, by the existing (Welland Canal) route, and by the proposed new one of Communication by the Ottawa, compare as follows :—

1st. Welland Route.	Miles.
Lake Navigation.....	1,145
River ".....	132
Canal ".....	71
Total distance to Montreal.....	1,348
2d. Ottawa Route.	
Lake Navigation (including Nippissingue).....	575
River ".....	347
Canal ".....	58
Total distance Chicago to Montreal.....	980
Difference in favor of Ottawa Route.....	880
And carrying our comparisons a step further, we have, from Chicago to New York,	
3d. The Erie Canal Route.	
Lake Navigation Chicago to Buffalo.....	1,000
Canal " Buffalo to Troy.....	350
River " Troy to New York.....	150
Total distance Chicago to New York.....	1,500
" " Chicago to Montreal by the Ottawa.....	980
Difference of distance in favor of Montreal.....	520
Trans-Atlantic distances also compare favorably for us:	
New York to Liverpool.....	2,980
Montreal to Liverpool.....	2,740
Difference in favor of Montreal.....	240
Difference in favor of Quebec.....	400
Chicago to Liverpool by Lake Erie and New York.....	4,480
Chicago to Liverpool by Ottawa and Gulf of St. Lawrence.....	3,720
Difference in favor of Ottawa and Gulf Route.....	760

Such is the case made out by the Committee. But even admitting all the figures to be correct, do they not suggest at least one awkward question, which must be answered before we can assent to the conclusion reached. For instance, we are told that the distance between Chicago and Liverpool, by way of Montreal and the Welland Canal, is 4,088 miles, while by the way of New York and the Erie Canal the distance is 4,480 miles; showing a difference in favor of Montreal of 400 miles. Yet, notwithstanding this, the Committee tell us, in the above quotations, that the total receipts of grain, and flour reduced to grain, at Montreal, by canal, in 1862, was 15,227,878 bushels, while the receipts at New York, by canal, were 55,805,344 bushels. Thus we see that, although the Montreal route was nearer Liverpool by 400 miles than the New York route, New York received nearly four times as much of these Western products for shipment. Why this was so, the Committee did not stop to tell us; yet, until this fact is explained, and the reasons for it given, we do not see how the further fact that the proposed new route is two or three hundred miles shorter than the Welland Canal route, can be conclusive proof that the latter, when completed, will command the trade. May not the same reasons why trade now seeks Liverpool through New York, in spite of its greater distance, rather than through Montreal, apply equally to the Ottawa avenue and prevent it from becoming the popular route? In this connection, there are some facts which might help us to reach a safe conclusion, had the Com-

mittee given them. For instance, they might have told us how much longer or shorter time it would take an ordinary sailing vessel, leaving Montreal for Liverpool, to go the first five hundred miles than it would one leaving New York; or what is the difference in time made between Montreal and Liverpool compared with New York and Liverpool; how many months in the year is Montreal shut out from the commercial world by ice, and what are the difficulties and dangers of St. Lawrence navigation at all seasons; what railroad connections the West has with New York, available in winter as well as summer, giving her a way of communicating with the markets of the world all the year round? These, and other facts, might have an important bearing upon the question discussed.

We trust, however, that this project will be carried through. If it proves to be half that is claimed for it, the Western producers will be greatly benefited. Besides, Canadian facilities will only lead to greater facilities in the States; and the West needs all the avenues it can obtain, and the shorter and cheaper the better, through which to pour out its unbounded wealth upon the markets of the world.

As to the capacity and probable cost of this work, the Committee say that they have had before them, to guide them to conclusions on these points, the Reports of WALTER SHANLY, Civil Engineer, and of T. S. CLARKE, Civil Engineer; both printed by order of the Legislative Assembly, the one in 1858, the other in 1860.

Mr. SHANLY recommends a navigation of the size represented by locks of 250 feet in length by 50 feet in width—capable of passing vessels drawing ten feet of water.

Mr. CLARKE proposed locks of similar length, but considers 45 feet as sufficient width, while he would provide for 12 feet draught of war.

The Committee add that experience in the grain-carrying trade in Canada goes to show that transshipment at the foot of Lake navigation from large steam and sailing vessels into river craft is not only *not* found to be an inconvenience, but is adopted by choice as the cheapest, most facile, and safest mode of delivering the grain in our harbor. Vessels loaded on the Upper Lakes now rarely come below Kingston, there transferring their cargoes to barges; the largest class of which now used in the trade measure 150 feet in length by 30 in width, draw nine feet of water, and carry some 22,000 bushels of wheat. Increasing their length to 160 feet and their beam to 33 feet, their draught could be lightened to eight feet and their load-capacity still preserved; and by further increase in length and beam, within the limits of the largest sized lock proposed, their capacity could be increased to 35,000 bushels without adding to the reduced (8 feet) draught of water.

Mr. SHANLY estimated the cost of completing his scheme of navigation at \$24,000,000.

Mr. CLARKE, not however taking into account the enlarging of the Lachine canal, or the removal in Lake St. Louis of the obstruction to a 12 feet, or even a 10 feet, navigation, makes a very much lower estimate; resorting largely to the plan of damming up the Ottawa and Matawan rivers to avoid extensive excavations. His estimate is a little over \$12,000,000.

Placing the question of cost in its least favorable light, by assuming the highest estimate, the Committee requested Mr. SHANLY to ascertain what the probable difference in cost between an eight feet and a ten feet navigation would be. His answer may be briefly stated thus:

"Leaving the locks of the dimensions as to length, width, and depth contemplated in his original estimate, but providing throughout, elsewhere, for eight feet draught only, would reduce the cost of the undertaking to \$18,000,000.

"And if the locks were to be reduced in size to, say, 160 x 33 x 8 feet depth, a further reduction in cost to the extent of about \$2,000,000 might be effected, bringing the entire outlay within the limit of \$14,000,000."

The deepening of a navigation, even where most practicable, is necessarily an expensive undertaking. To obtain the largest desirable carrying capacity, therefore, for river and canal craft, without recourse being had to great draught of water, the means of giving them increased length and width, with the increasing demands of trade, should be kept in view. The Committee accordingly express the opinion, that the size of lock designed by Mr. SHANLY, 250 feet long by 50 feet wide, is that best adapted to the "French River and Ottawa navigation," and with a view to the future adaptation of the route to ten feet available depth throughout, they recommend that in the construction of the locks the full depth of ten feet be also adhered to, and so obviate the necessity for the pulling down and sacrificing the original cost of such expensive structure, when further improvements come to be developed.

COMMERCIAL LAW. No. 8.

NEGOTIABLE PAPER; OR, NOTES OF HAND AND BILLS OF EXCHANGE.

THE RIGHTS AND DUTIES OF THE INDORSER.

ONLY a note or bill payable to a payee or order is, strictly speaking, subject to indorsement. Those who write their names on the back of any note or bill are indorsers in one sense, and are sometimes called so; but are not meant in the law-merchant by the word "indorsers."

The payee of a negotiable bill or note—whether he be also maker or not—may indorse it, and afterwards any person, or any number of persons, may indorse it. The maker promises to pay to the payee or his order; and the indorsement is an order to pay the indorsee, and the maker's promise is then to pay the note to him. But if the original promise was to the payee or order, this "or order," which is the negotiable element, passes over to the indorsee, though not written in the indorsement, and the indorsee may indorse, and so may his indorsee, indefinitely.

Each indorser, by his indorsement, does two things: first, he orders the antecedent parties to pay to his indorsee; and next, he engages with his indorsee, that, if they do not pay, he will.

What effect an indorsement of a negotiable note or bill by one not payee, *before* the indorsement by payee, should have, is not quite certain. Upon the whole, however, we should hold, with some reason and authority, that, where such a name appears, as it may be made to have the place of a second indorser whenever the payee chooses to write his name over it, it shall be held to be so intended, in the absence of evidence. Such seems to be the well-settled law of New York; and the consequence of

this rule would be, that an indorsement by one not the payee gives no security whatever to the payee, and does not make the indorser liable in any way to the payee, without evidence that he indorsed the note with the intention and understanding that he thus bound himself to the payee. The reason why such indorsement gives the payee no claim against the indorser is, that a first indorser can have none against a second, but the second may have a claim against the first; because the first promises to pay to the second, the second to the third, and so on. But evidence is receivable to prove that the party put his name on the note for the purpose of adding to its security by becoming responsible for it to the payee. And then, if he indorsed the note before it was received by the payee, the consideration of the note attaches to him, and he may be held either as surety for consideration, or as a maker.

In Massachusetts, and some other States, this is supposed by the law to be the intention of such an indorsement, without any evidence; or, in other words, such an indorser is held as a co-maker. If the indorser wrote his name on the note after it was made, and at the request of the payee or other holder, he is bound only as guarantor or surety; and the consideration of the note being exhausted, and not applying to him, he is bound only if some new and independent consideration is shown. No one who thus indorses a note *not negotiable* can be treated or considered precisely as a second indorser, whatever be the names on the paper before his own; but any indorser of such a note or bill may be held to be a new maker or drawer, or a guarantor or surety, as the circumstances of the case indicate or require; but then either the original consideration or a new one must attach to him to affect him with a legal obligation; because it is only as to an indorser exactly so called, that the rule requiring consideration is suspended.

If the words "to order," or "to bearer," are omitted accidentally, and by mistake, it seems that they may be afterwards inserted without injury to the bill or note; and whether a bill or note is negotiable or not, is held to be a question of law.

By the law-merchant, bills and notes which are payable to order can be effectually and fully transferred only by indorsement. This indorsement may be *in blank* or *in full*. The writing of the name of a payee—either the original payee or an indorsee—with nothing more, is an indorsement in blank; and a blank indorsement makes the bill or note transferable by delivery, in like manner as if it had been originally payable to bearer. After a note has been indorsed by a payee, any person may write his name on the note under that of the payee, and be held as indorser—because any subsequent holder may write over the name of the first indorser a direction to pay the note to the next signer, and this makes the next signer an indorsee, and so gives him a right to indorse; and he or any holder may write over his name an order to pay the holder, or anybody else. If the indorsement consist not only of the name, but of an order above the name to pay the note to some specified person, then it is an indorsement in full, and the note can be paid to no one else; nor can the property in it be fully transferred, except by the indorsement of that indorsee; and he may again indorse it in blank or in full. If the indorsement is, Pay to A. B. *only*, or in equivalent words, A. B. is indorsee, but cannot indorse it over.

Any holder for value of a bill or note indorsed in blank, whether he

be the first indorsee or one to whom it has come through many hands, may write over any name indorsed an order to pay the contents to himself; and this makes it a special indorsement, or an indorsement in full. This is often done for security; that is, to guard against the loss of the note by accident or theft. For the rule of law is, that negotiable paper, transferable by delivery, (whether payable to bearer or indorsed in blank) is, like money, the property of whoever receives it in good faith. The same rule has been extended in England to exchequer bills; to public bonds payable to bearer; and to East India bonds; and we think it would extend here to our railroad and other corporation bonds, and, perhaps, to all such instruments as are payable to bearer, whether sealed or not, and whatever they may be called. If one has such an instrument, and it is stolen, and the thief passes it for consideration to a *bona fide* holder, this holder acquires a legal right to it, because the property and possession go together. But if the bill or note be *special* indorsed, no person can acquire any property in it, except by the indorsement of the special indorsee.

At one time no one could acquire property in negotiable paper, if it were shown that he received it from one who had no right to sell it, and that he did not take due care to ascertain what right the seller had. That is, if a holder lost his note, and a thief or finder passed it off to a *bona fide* holder, the property did not pass, if the circumstances were such as to show negligence on the part of the purchaser, or a want of due inquiry. But this question of negligence seems now to be at an end, and nothing less than fraud defeats the title of the purchaser. In New York, however, the courts show some disposition to return to the old rule, which makes negligence of the holder defeat his title, as well as fraud; and there are strong reasons for this.

It may be well to remark here, that the finder of negotiable paper, as of all other property, ought to make reasonable endeavors to discover the owner, and is entitled to use the thing found as his own only when he has made such endeavors unsuccessfully. If he conceals the fact of finding, and appropriates the thing to his own use, he is liable to the charge of larceny or theft.

The written transfer of negotiable paper is called an indorsement, because it is almost always written on the back of the note; but it has its full legal effect if written on the face.

Joint payees of a bill or note, who are not partners, must all join in an indorsement.

An indorser may always prevent his own responsibility by writing "without recourse," or other equivalent words, over his indorsement; and any bargain between the indorser and indorsee, written or oral, that the indorser shall not be sued, is available by him against that indorsee, but he cannot make this defence against subsequent indorsees who had no notice of the bargain before they took the note.

Every indorsement and acceptance admits conclusively the signature of every party who has put his name upon the bill previously in fact, and who is also previous in order. Thus, an acceptance admits the signature of the drawer, but not the signature of one who actually indorses before acceptance, because *acceptance* is in its nature prior to indorsement. By this is meant, that if an indorser—say a third indorser—is sued, he cannot defend himself by saying that the names of the maker and the first

and second indorsers, or either of them, were forged, because by indorsing it himself he gives his indorsee a right to believe that the previous signatures were genuine. And an acceptor cannot say that his drawer's name is forged; but he may say that an indorsement which was on the bill when he accepted it was forged, because an indorsement of a bill comes properly and in *order of law* after acceptance.

If a holder strike out an indorsement by mistake, he may restore it; if on purpose, the indorser is permanently discharged. A holder may bring his action against any prior indorser, and fill any blank indorsement specially to himself, and sue accordingly; but then he invalidates the subsequent indorsements. The reason is, that he takes from them all the right to indorse; thus, for example, if A makes a note to B, and B, C, D, E, and F successively indorse it in blank, and G, the holder, writes over C's name, "Pay to G," it is as if C had written this himself; and then G only could indorse, and, of course, D, E, and F could not, as they were mere strangers. And a holder precludes himself from taking advantage of the title of any party whose indorsement is thus avoided. And if he strikes out the name of any indorser prior to that one whom he sues or makes defendant, he cannot maintain his action against that defendant; because, by so doing, he deprived the defendant of his right to look to the party whose name is stricken out; and because the defendant thus loses security he is entitled to, the defendant is himself discharged.

One may make a note or bill payable to his own order, and indorse it in blank; and this is now very common in our commercial cities, because the holder of such a bill or note can transfer it by delivery, and it needs not his indorsement to make it negotiable further. A note to the maker's own order, if not indorsed by him, is, strictly speaking, of no force against him. But there seems to be some disposition in the courts to say that a holder of such note may sue the maker as if the note were to bearer.

A transfer by delivery, without indorsement, of a bill or note payable to bearer, or indorsed in blank, does not generally make the transferer responsible to the transferee for the payment of the instrument. Nor has the transferee a right to fall back, in case of non-payment, upon the transferer for the original consideration of the transfer, if the bill were transferred in good faith, in exchange for money or goods; for such transfer would be held to be a sale of the bill or note, and the purchaser takes it with all risk. But it seems not to be so where such a note is delivered either in payment or by way of security for a previously existing debt. Then, if the transferer has lost nothing by the reception of the note by the transferee, because if he had continued to hold the note he would have lost it, there seems to be no reason why the transferee should lose it. We have no doubt that such a transferer may make himself liable, without indorsement, by express contract; and that circumstances might warrant and require the implication that the bill or note so transferred remained, by the agreement and understanding of both parties, at the risk of the transferer. And every such transferer warrants that the bill or note (or bank-note is note) is not forged or fictitious, and is liable for it if it is.

An indorsement may be made on the paper before the bill or note is drawn; and such indorsement, says Lord MANSFIELD, "is a letter of credit for an indefinite sum, and it will not lie in the indorser's mouth to say that the indorsements were not regular." The same rule applies to an

acceptance on blank paper. So an indorsement may be made after or before acceptance, though strictly proper only after.

A bill or note once paid at or after maturity, ceases to be negotiable, in reference to all who had been discharged by the payment. If issued again, it is like a new note without their names. If a bill or note is paid before it is due, it is valid in the hands of a subsequent *bona fide* indorsee.

A portion of a negotiable bill or note cannot be transferred, so as to give the transferee a right of action for that portion of his own name. But if the bill or note be partly paid, it may be indorsed over for the balance.

After a holder's death, his executor or administrator may transfer. But it seems that, if a note needing indorsement was indorsed by the holder, but not delivered, although the executor may indorse and deliver the note himself, he cannot complete the transfer by delivery alone. The husband who acquires a right to a bill or a note given to the wife, either before or after marriage, may indorse it.

One who may claim payment of a bill or note, and of whom payment may also be demanded, or one who is liable to contribute for the payment of a note, cannot sue upon it; because the law will not permit A to sue B, if, as soon as A recovers, B can turn round and sue A for the same sum. If the technical rule—that the same party cannot be plaintiff and defendant—prevents the action, as where A, B & Co. hold the note of A, C & Co., so that if a suit were brought A would be one of the plaintiffs and one of the defendants also, which cannot be, A, B & Co. may indorse the note to D, who may then sue A, C & Co.

THE RIGHTS AND DUTIES OF THE ACCEPTOR.

Acceptance applies to bills, and not to notes. It is an engagement of the person on whom the bill is drawn to pay it according to its tenor. The usual way of entering into this agreement, or of accepting, is by the drawee's writing his name across the face of the bill, and writing over it the word "accepted." But any other word of equivalent meaning may be used, and it may be written elsewhere, and it need not be signed, or the drawee's name alone on the bill may be enough. But if accepted irregularly, or in an unusual way, the question whether it were accepted would generally go to a jury under the direction of the court. A written promise to accept a future bill, if it distinctly define and describe that very bill, has been held in this country as the equivalent of an acceptance, if the bill was taken on the credit of such promise. In New York this is provided by statute. In England and in this country, generally, an acceptance may be by parol. And it is said that a promise, whether written or verbal to *pay* an existing bill, is an acceptance. But the language, whether oral or written, although no form be prescribed for it, must not be ambiguous; thus where a drawee, on presentment of a bill for acceptance, said, "The bill shall have attention," it was held that this was not an acceptance, because the words might mean something else as well as that the drawee would pay it. They might mean, for example, that he would look over his accounts and see whether he had the funds to pay it. The words must distinctly import acceptance, or an agreement to do what acceptance would bind the party to do; and *mere detention* of the bill is not acceptance.

An acceptance acknowledges the signature and capacity of the drawer ; and the capacity *at that time* of the payee to indorse, which is also admitted by the maker of a promissory note ; and this cannot be afterwards denied by the acceptor, although the payee be an infant, a married woman, or a bankrupt. But the acceptance does not admit the validity of an existing endorsement ; nor, if it be by an agent, his authority ; if, however, the acceptor *knew* that the indorsement was forged or made without authority, he cannot use the fact in his defence. But if the bill is drawn in a fictitious name, the acceptor is said to be bound to pay on an indorsement by the same hand. In general, any party who gives credit and circulation to negotiable paper admits so far as he is concerned, and cannot afterwards deny, all properly antecedent names.

A banker is liable to his customer without acceptance, if he refuses to pay checks drawn against funds in his hands. So it seems that a banker, at whose house a customer, accepting a bill, makes it payable, is liable to an action at the suit of the customer, if he refuse to pay it, having at the time of presentment sufficient funds, and having had those funds a reasonable time, so that his clerks and servants might know it. And the banker has authority from the bill itself to apply to its payment the funds of the acceptor.

There cannot be two or more acceptors of the same bill not jointly responsible, as partners are. If accepted by a part only of those jointly responsible, or joint drawees, it may be treated by the holder as dishonored ; but if not so treated, the parties accepting will be bound.

An acceptance may be made after maturity, and will always be treated as an acceptance to pay on demand.

The acceptance may be cancelled by the holder ; and if this cancelling be voluntary and intended, it is complete and effectual ; but if made by mistake, by him or other parties, and this mistake can be shown, the acceptor is not discharged. And if the cancelling be by a third party, it is for the jury to say whether the holder authorized or assented to it.

If a qualified acceptance be offered, the holder may receive or refuse it. If he refuses it, he may treat the bill as dishonored ; if he receives it, he should notify antecedent parties, and obtain their consent ; without which they are not liable. But if he protests the bill as dishonored, for this reason, he cannot hold the acceptor upon his qualified acceptance.

A bill drawn on one incompetent to contract, as from infancy, coverture, or lunacy, may be treated by the holder as dishonored.

A bill can be accepted only by the drawee—in person or by his authorized agent—or by *some one who accepts for honor*.

ACCEPTANCE, OR PAYMENT, FOR HONOR.

If a bill be protested for non-acceptance or for non-payment, any person may accept it, or pay it for the honor either of the drawer or of any indorser. This he usually does by going with the bill before the notary-public who protested the bill, and there declaring that he accepts or pays the bill *for honor* ; and he should designate for whose honor he accepts or pays it, at the time, before the notary-public, and it should be noted by him.

A general acceptance *supra protest*, (which is the phrase used both by merchants and in law, meaning *upon or after protest*,) for honor, is taken

to be for honor of the drawer. The drawee himself, refusing to accept it generally, may thus accept for the honor of the drawer or an indorser. And after a bill is accepted for honor of one party, it may be accepted by another person for honor of another party. And an acceptance for honor may be made at the intervention and request of the drawee.

No holder is obliged to receive an acceptance for honor; he may refuse it wholly. If he receive it, he should, at the maturity of the bill, present it for payment to the drawee, who may have been supplied with funds in the mean time. If not paid, the bill should be protested for non-payment, and then presented for payment to the acceptor for honor.

The undertaking of the acceptor for honor is collateral only; being an engagement to pay if the drawee does not. It can only be made for some party who will certainly be liable if the bill be not paid; because by an acceptance, or by a payment, properly made, for honor, *supra* protest, such acceptor or payer acquires an absolute claim against the party for whom he accepts, or pays, and against all parties to the bill antecedent to him, for all his lawful costs, payments, and damages, by reason of such acceptance or payment. This is an entire exception to the rule that no person can make himself the creditor of another without the request or consent of that other; but it is an exception established by the law-merchant.

OUR FOREIGN TRADE PASSING INTO FOREIGN BOTTOMS.

In a war like the present, of course every interest must suffer, and yet it seems strange that two or three privateers should have been able to almost destroy our shipping interests. One would suppose that with a navy, such as that of which we now boast, some protection might have been extended to our foreign trade. Or, if the Navy Department now has no vessels fast enough for the purpose, certainly there is sufficient talent in the country to build them. There was a time, and it was not a very long while ago either, when Young America contended with the "mistress of the seas" for the supremacy, with every promise of wresting the sceptre from her. Our ocean steamers were the wonder of the world. In speed, size, and equipment, they left their British competitors far behind. Is there any reason why we cannot do again what we have once so well done?

Last month we published a list of the vessels captured by these privateers, but that list gives a very imperfect idea of the actual loss we are sustaining. It may surprise many to know that the forced sales to foreigners of vessels built and owned here has been going on steadily for a long time past, and now is proceeding with a celerity that bids fair to change the ownership of the finest bottoms in the United States mercantile marine, and to leave nothing under the American flag worth capturing. The following list of American ships lately sold by Mr. GEORGE CROSHAW & Co., of London, will show what is being done in this respect at the present time:

Name of vessel.	Tonnage.	Where built.	When.	Price.
Holyrood.....	1,046	Thomaston,	1857	£8,000
Samuel Lawrence.....	1,036	Medford,	1851	5,800
Elizabeth Watts.....	224	Thomaston,	1847	740
Arundle.....	1,092	Kennebunk,	1861	11,000
A. Dunbar.....	199	St. Mary's,	1849	965
John Porter.....	997	Newburyport,	1859	9,000
Huntress.....	677	Bath,	1850	4,400
Kate Swetland.....	527	Thomaston,	1852	2,000
Sabine.....	694	Portsmouth,	1851	3,850
Ina Russell.....	1,184	Kennebunk,	1854	5,575
Ocean Romp.....	862	Bath,	1848	3,500
Louisa.....	816	East Boston,	1860	8,700
Jacob A. Westervelt.....	1,418	New York,	1849	7,800
Ocean Telegraph.....	1,495	Medford,	1854	7,060
Otseontha.....	1,023	Bath,	1852	7,250
Neptune's Favorite.....	1,346	Chelsea,	1854	8,000
Coronet.....	1,367	Belfast,	1854	5,000
Devonshire.....	574	Connecticut,	1856	4,050
Flying Childers.....	1,125	East Boston,	1852	5,050
Ivanhoe.....	868	Eastport,	1857	4,600
Sierra Nevada.....	1,750	Portsmouth,	1854	10,750
Mary E. Balch.....	1,199	Trescott, Me.,	1835	6,000
Walter Lord, (damaged).....	1,079	Richmond,	1855	3,450
Spitfire, (subject to owners reclassing)	1,520	Frankfort,	1853	9,000
Joseph Peabody.....	1,198	South Boston,	1856	7,650
Morning Light.....	1,713	Portsmouth,	1852	9,000
Sunda (late Gauntlett).....	1,854	Richmond,	1853	8,000
Daphne.....	1,049	East Boston,	1859	9,175
Virginian.....	899	Baltimore,	1848	1,750
Ganges.....	1,258	Boston,	1854	8,000
Evangeline.....	488	Scituate, Mass.,	1858	3,150
Napoleon.....	649	Medford,	1851	3,225
Hollander.....	498	Newburyport,	1849	2,100
Comet.....	1,836	New York,	1851	8,100
Isabella.....	1,100	Boston,	1850	12,500
Punjab.....	780	Medford,	1860	8,250
Aspasia.....	632	Mytic,	1856	2,250
John Haven.....	1,038	Portsmouth,	1849	4,800
Simoda.....	646	Licolnville,	1856	3,700
Morning Star.....	1,105	Medford,	1853	6,500
Rachel.....	818	Calais, Me.,	1856	2,550
Cherubim.....	1,798	Baltimore,	1856	12,500
Barnabas Webb.....	1,299	Thomaston,	1856	7,550
Lepanto.....	890	East Boston,	1860	7,750
Crimea.....	900	Kennebunk,	1855	6,125

Nearly all these are well known first-class vessels. Hitherto their flag has been an United States advertisement in every sea under the heavens, but henceforth they are destined to be known only as English, or other foreign property.

We are indebted to the *Journal of Commerce* for the following table, showing to what extent the carrying business had changed up to June 30th. The figures are for the same quarter in each of the last four years:

FOREIGN TRADE OF THE PORT OF NEW YORK, FOR THE QUARTER ENDING JUNE 30TH.

	In American vessels.	In Foreign vessels.
1860. Value of goods imported.....	\$35,197,101	\$18,142,622
" " exported.....	27,401,225	12,776,229
Total trade.....	\$62,598,326	\$30,918,051

	In American vessels.	In Foreign vessels.
1861. Value of goods imported.....	\$23,594,808	\$18,422,182
“ “ exported.....	24,305,568	10,630,751
Total trade.....	\$47,900,376	\$29,052,933
1862. Value of goods imported.....	\$16,314,354	\$23,182,070
“ “ exported.....	17,971,262	30,811,074
Total trade.....	\$34,285,616	\$53,993,144
1863. Value of goods imported.....	\$12,731,819	\$30,139,557
“ “ exported.....	10,672,011	35,750,296
Total trade.....	\$23,403,830	\$65,889,853

We think that no American can study these figures without a painful sense of humiliation. In 1860 the quarter's trade was \$62,000,000 under our flag, and \$30,000,000 under the flags of all foreign nations. This has rapidly changed as the war continued, until, for the last quarter returned, we find \$65,000,000 under foreign flags, and only \$23,000,000 under our own flag. Thus shippers all over the world have been deterred by fear of capture from the employment, as carriers, of American ships. It may be that our Navy Department has done all it could to protect our commerce; but a contrary impression prevails among those who are most interested.

It is not therefore surprising that the underwriters and merchants of New York should have made the following strong appeal to the Navy Department. The reply does not, however, seem to us to be very satisfactory. The object sought by the merchants' letter in question was, we suppose, not to know what had been done, but what additional could and would be done—not to be informed that the “navy is enlarging,” but to learn whether or no the ship-building talent of our country was to be taxed to its utmost until vessels could be built capable of catching these privateers. We have vessels in abundance, but none fast enough. It is to little purpose that thirty are sent after one rebel cruiser, if that one can outsail them all. The following is the letter and the reply :

NEW YORK, October 28th, 1863.

HON. GIDEON WELLES, *Secretary of the Navy, Washington, D. C. :*

SIR :—The continued depredations of the rebel cruisers on the mercantile marine of the country, have not only destroyed a large amount of the active capital of the merchants, but seriously threaten the very existence of that valuable part of our commerce.

Apart from the loss of so much individual wealth, and the destruction of so valuable a source of material power and enterprise, it is humiliating to our pride as citizens of the first naval power on the earth, that a couple of indifferently equipped rebel cruisers should for so long a period threaten our commerce with annihilation. It is a painful source of mortification to every American, at home and abroad, that the great highways of our commerce have hitherto been left so unprotected by the almost total absence of national armed vessels, as to induce rebel insolence to attack our flag almost at the entrance of our harbors; and to actually blockade our merchantmen at the Cape of Good Hope recently, an account of which you have here

enclosed, being a copy of letter recently received from a captain of one of the blockaded ships having a valuable cargo. We are conscious that it is no easy matter to capture a couple of cruisers on the boundless waters of the ocean, aided and abetted, as they too often have been, at ports where international comity if not international law have been set at defiance; and we have witnessed with satisfaction the patriotic zeal and energy of your department, and the glorious successes of our navy in subduing the rebellion which threatens our national union. Still, we think that the loyal merchants and ship-owners of the country, whose zeal and patriotic co-operation have generally furnished the funds to sustain the Government, are entitled to have a more energetic protection of their interest than has been hitherto extended to it. Your very arduous official duties have no doubt prevented you from investigating the serious inroads which the unprotected state of our carrying trade has produced on our tonnage; and without troubling you with the great loss which our ship-owners sustain in the almost total loss of foreign commerce, it is only necessary to call your attention to the inclosed table, prepared and published by one of the best informed commercial journals of the city, [The table alluded to is the one above taken from the *Journal of Commerce*.—Ed. MÉR. MAG.], showing the loss of the carrying trade on the imports and exports of this city alone, by which you will perceive that, while during the quarter ending 30th June, 1860, we imported and exported over \$62,000,000 in American vessels and but \$30,000,000 in foreign vessels, we have in the corresponding quarter of this year only \$23,000,000 by our own ships, while we have \$65,000,000 by foreign vessels. The intermediate periods show a most painful decadence of our shipping interest and tonnage, by transfer and sale to foreign flags; which at this time of considerable commercial activity does not so much indicate a want of enterprise in this field of occupation, as a want of confidence in the national protection of our flag on the ocean.

The national pride of many of our patriotic ship-owners has subjected them to heavy sacrifices in difference of insurance against capture of two to ten per cent; while the underwriters of the country have been compelled to make heavy sacrifices in favor of American shipping; yet without materially affecting the result. And many of them encountering heavy losses by captures in quarters where they had every reason to believe our commerce would be protected by national vessels of efficiency and power. Indeed, the almost total absence of efficient naval force in many of the great highways of commerce has had a damaging influence on our prospects, by producing a great degree of temerity on the part of the rebel cruisers, and corresponding misgivings on the part of underwriters and others in interest, as to whether Government protection would be afforded to our ships laden with valuable cargoes. The want of adequate armed vessels on prominent naval stations for protection of our ships has become so notorious, that underwriters have no longer speculated on the chance of the capture of these rebel cruisers by any of our national ships, but calculate only the chances of escape of our merchantment, or the probable destruction of the piratical craft, from reported unseaworthiness or mutiny.

These statements are made with all candor, and in no spirit of captiousness; but with a desire to concede that the embarrassment of the department, which it may not be prudent or practicable to explain to the public, may fully justify the unfortunate position which want of naval protection has placed our commerce in. Yet it is respectfully urged that you will give

this subject the benefit of the same energy and ability which has so creditably marked the administration of your department in all other channels of your official duties. No one can better comprehend, than one in your position, the value of successful commerce at this time of great national expenditure; and a paralysis of so important an interest cannot be contemplated without horror at this period of our national struggle.

We beg leave, also, to inclose an extract from the *Commercial Advertiser* of the 26th inst., and request your attention to the paragraph marked.

We are sir, very respectfully,
Your obedient servants,

Richard Lathers, President Great Western Ins. Co.
J. B. Tappen, President Neptune Ins. Co.
F. S. Lathrop, President Union Mutual Ins. Co.
M. H. Grinnel, President Sun Ins. Co.
Robert L. Taylor, merchant ship owner.
C. H. Marshall, merchant ship owner.
A. A. Low & Brother, merchant ship owners.
Grinnell, Minturn & Co., merchant ship owners.
Wilson G. Hunt, merchant.
Charles Newcomb, Vice-President Mercantile Mutual Ins. Co.
Brown, Brothers & Co., bankers.
W. T. Frost, merchant ship owner.
Bogart & Kneeland, merchants.
Duncan, Sherman & Co., bankers.
Bucklin & Orane, merchant ship owners.

E. E. Morgan, merchant ship owner.
Wm. Whitlock, Jr., merchant ship owner.
Geo. Opdyke, Mayor of New York city.
August Belmont & Co., bankers.
James G. King's Sons, bankers.
Archibald Gracie, merchant.
Howland & Frothingham, merchant ship owners.
Williams & Guion, merchant ship owners.
J. H. Earl, Pres't N. Y. Mutual Ins. Co.
Isaac Sherman, merchant ship owner.
W. A. Sale & Co., merchant ship owners.
Thomas Dunham, merchant ship owner.
Spofford, Tileston & Co., merchant ship owners.
Babcock, Brothers & Co., bankers.
J. Pierpont, Morgan & Co., merchant ship owners.
E. D. Morgan & Co., merchants.

REPLY.

NAVY DEPARTMENT, WASHINGTON, *November 14, 1863.*

GENTLEMEN: The department duly received your communication of the 28th ultimo, in reference to the depredations committed upon American commerce by the Alabama and other rebel cruisers. The pursuit and capture of these vessels is a matter that the department has constantly in view, and swift steamers have been constantly in search of them, and, at times, very close to them. They are under orders to follow them wherever they may go. The only vessel that had the impudence to attack our flag at the entrance of our harbors, the Tacony, was promptly pursued and her career was soon terminated. The department had about thirty vessels after her. I thank you for your expression that energy and ability have creditably marked the administration of this department in all other channels of official duties. A rigid blockade of the coast has been demanded, and its accomplishment has required all the available force that the department could bring to bear. To do this, it could not well dispatch a larger force than it has in search of piratical rovers. It will continue to give this subject its attention, and hopes, as the avenues to the insurrectionary region are becoming closed, and the navy is enlarging, to be able to have a larger force to pursue the pirates, and secure the safety of our commerce abroad.

Very respectfully,

(Signed) GIDEON WELLES, *Secretary of the Navy.*
To RICHARD LATHERS, Esq., and others.

COMMERCIAL CHRONICLE AND REVIEW.

DEARNESS OF MONEY—CAUSES OF PRESSURE—GOVERNMENT LOAN—BANK RESOURCES—IMPROVEMENT OF BUSINESS—SUBSCRIPTIONS TO FIVE-TWENTIES—BANK RESOLUTION—DEMAND FOR GREENBACKS—CALLING OF LOAN—LEGAL TENDERS EQUALIZED—CALLS FOR LOAN—LEGAL TENDERS AT A PREMIUM—NEW SUPPLIES OF CURRENCY—STOCK TRANSACTIONS—SMALL COMMENCEMENT OF OBLIGATIONS—IMPORTS—HIGHER COST OF GOODS—DUTIES—EXPORTS—DECLINE IN BREADSTUFFS—EXCHANGE—OPTIONS—SPECULATIVE PURCHASERS—RATES OF BILLS.

THE financial community has been visited during the month with a severe money pressure, which took by surprise many who supposed that the markets were beyond the reach of a high rate of interest while paper flowed from the three sources of one hundred and twenty new national banks, one thousand old institutions, and the large operations of the federal treasury. The decisions in the courts, in relation to the constitutionality of the legal tender, seemed to have removed all restraint from the issue, and there was apparently no reason why, at least, the current demands of business should not be freely supplied with the means of circulation. Nevertheless, a sudden combination of events seems to have produced one of the most severe pressures that the country has, perhaps, ever before encountered, and money has commanded very high rates. The immediate causes of this pressure originated in the loan effected by the treasury department from the associated banks, September 5th. At that time, the Banks of New York held, per their reports, about \$25,000,000 of legal tender notes. They also held about \$35,000,000 of interest-in-gold five per cent certificates of deposits, payable at the treasury in tenders, on ten days notice. They also held some \$60,000,000 of six per cent one-year certificates, fully due, and payable in legal tenders up to December 1st. The five per cent deposits were to draw interest in paper after November 1st, when they would be only a five per cent investment. Thus the banks held, apparently, \$160,000,000 of paper that was available for an emergency. At the same time, the current of payments was toward the city, and the investments in United States five-twenties had nearly ceased; and, in consequence of that cessation, the Secretary of the Treasury desired to borrow \$50,000,000 of legal tenders to pay off the troops' arrears, due September 1st. The terms of that loan were given in full in the October number. The banks were to pay up the whole in legal tenders during September and October, the loan to draw six per cent from September 1st until repaid in five per cent legal tender notes, which, it was said, would be ready about November 1st. There seemed to be no particular reason why the banks should not make the loan, but, nevertheless, there was a risk, and, on the occasion of making it, a resolution was passed that the city banks should equalize the legal tender notes every morning, with a view to prompt settlement of balances at the Clearing-house. This was to provide against the possible expansion of some institutions entangled with large stock loans. Under this arrangement, some \$17,500,000 on the loan was paid up, and the notes were, by the Government, sent to the army. At this juncture, there sprang up, prompted by the abundance of money growing out of a large fall business, a demand for the five-twenty stock, bearing six per cent in

gold. This demand reached about \$60,000,000 in October, and over \$80,000,000 in the last week. Their checks for this large amount, running against deposits in banks, could not be met in greenbacks. It was equivalent to a sharp run upon the banks holding but a moderate amount of legal tenders. They were, however, enabled to apply their five per cent deposits to the payments, as the Assistant Treasurer waived the required ten days' notice, and some \$17,000,000 were thus turned over. For the treasury, it was the same as converting so much five per cent certificates, payable in paper, into an equal amount of six per cent stock, payable in gold. It gave no ready money to the department, but forced upon the banks a severe contraction of stock loans, and compelled them also to put in force the resolution of September 5th, in relation to equalization of legal tenders, because the banks controlled by those who were interested in stock-holding were opposed to contraction, but which would become absolutely necessary if forced to make good balances to the Clearing-house in legal tenders. This was done on the 7th of November. The treasury was now again embarrassed, because the changing of five per cent certificates for six per cent stock gave it no money, and its outlay was large. The troops were again to be paid, hence, on the 9th, a call was made for ten per cent, or \$5,000,000, of the loan. This was again paid in five per cent certificates, and on the 11th the call was repeated, and the ten days' notice on the certificates insisted upon, which compelled the banks to pay up in legal tenders. This they were now enabled to do because the high rates of money had drawn notes from the interior, and the disbursements of the treasury had put more in circulation. The instalment of the 11th, however, left \$16,000,000 still due the treasury on the loan, and the banks, under the equalizing process, were compelled still to contract. Money remained, therefore, very dear, and the subscriptions to the loan dwindled to a small figure. Indeed, during the most intense pressure, the five-twenties sold at one-quarter discount at the board. It seems reasonable, however, that when the banks receive the \$50,000,000 five per cent legal tenders due them from the department, and which should have been ready November 1st, that ease will again be restored. This seems to be very desirable, in order to enable the department to meet the large amount of six per cent certificates that fall due. The circulating notes due the new national banks are also nearly ready.

Under the money pressure, stocks fell from 4 to 20 per cent, and United States securities stood as follows:

PRICES UNITED STATES PAPER.

	—6's, 1881.—		5's, 1874.	7 3-10, 8 years.	1 year certifi. Old.	New.	Gold.	August demand notes.
January 3, ..	Reg. 96½	Coup. 98	88½	102½	96½	...	84½ a	84½ 29
" 10, ..	97½	98	90	103	97	...	87½ a	88 35
" 17, ..	91½	91½	88½	101	95	...	49 a	46½ 43
" 24, ..	95	96	90	102	96	...	47 a	48½ 44½
" 31, ..	92½	94	86	101½	94	...	55 a	60½ 53
February 7, ..	92	93½	85½	102	94	...	57½ a	57½ 55
" 14, ..	94	96	87½	102½	96	...	53½ a	53½ 51
" 21, ..	96½	97½	91½	103½	95	...	53½ a	64 62
" 28, ..	100½	102½	97	105½	98½	...	71 a	71½ 71
March 7, ..	99½	100½	94½	105	98½	...	52½ a	53 53
" 14, ..	104½	104½	98	106½	100	...	54½ a	54½ 53
" 21, ..	103½	104½	96	107	100	...	54½ a	54½ ..
" 28, ..	104½	105	96½	106½	100	...	41 a	41½ ..

		—6's, 1881.—		5's, 1874.	7 2-10, 3 years.	1 year certif.		Gold.	August demand notes.
		Reg.	Coup.			Old.	New.		
April	4..	104½	105	97½	104½	99	...	58 a 53½	..
"	11..	104½	105	97½	105	100½	...	45 a 52½	..
"	18..	104	105	96	105	101	...	53 a 53½	..
"	25..	105	105	96	106	102	99½	151½ a 151½	..
May	2..	105½	106½	97½	106½	102	99½	150 a 150½	..
"	9..	106	107	97	106	101½	99½	152½ a 152½	..
"	16..	108	108	97½	107	101½	99½	149 a 149½	..
"	23..	108½	108½	97½	107½	101½	99½	148½ a 149	..
"	30..	108	108	97½	107	101½	99½	144½ a 144½	..
June	6..	104	108½	99	107	101½	97½	146 a 146½	..
"	13..	104½	108½	99	106	101½	98	148 a 148½	..
"	20..	103½	108½	98½	106	101	98½	142½ a 143½	..
"	27..	102	107½	98	104	100½	97	146½ a 146½	..
July	11..	104½	105	97½	106	100½	98½	132½ a 132½	..
"	18..	104½	106	98	106½	101	99	125 a 125½	..
"	25..	105½	106½	97	106½	100½	98½	126 a 126½	..
August	1..	104½	105½	96½	106½	101	99½	128½ a 127	..
"	8..	105½	106½	96½	106½	101	99½	126½ a 127	..
"	15..	105½	105½	97	106½	101	99½	125 a 125½	..
"	22..	106	107½	97	107	101½	99½	124½ a 125	..
"	29..	106	107	95	107	101½	99½	124½ a 124	..
Sept.	5..	106	108	95	106	100½	99½	132½ a 133	..
"	12..	105	106½	95	106	101	99½	128 a 129	..
"	19..	106	106½	96	106½	101½	99½	133½ a 133½	..
"	26..	106½	106½	96	106½	101½	99½	139½ a 139½	..
October	3..	107	106½	95	106½	101½	99½	142½ a 142½	..
"	10..	107½	108	97	106½	101½	99½	146½ a 147	..
"	17..	107½	109	97	106½	102½	99½	151½ a 152	..
"	24..	108	110	98	107½	102	99½	145½ a 146	..
"	31..	108½	...	98½	107½	102	99½	146½ a 146½	..
Nov.	7..	108	109	98	107	101½	98½	147½ a 147½	..
"	14..	108½	109	97½	106½	101½	98½	146½ a 147	..
"	21..	108	108½	98	106½	102	98	150 a 150½	..
"	27..	108	100	98	106½	101½	98	143 a 144½	..

The fact that a large portion of the spring and fall trade had been done for cash prevented the most severe distress, since, had the usual amount of commercial obligations been outstanding during the pressure, the most wide-spread bankruptcy would have inevitably resulted. As it was, the pressure was little felt beyond the stock circles. Indeed, the abundance of means with the merchants who had converted their goods into currency may be said to have been a cause of the pressure, since it prompted the large investments in five-twenties.

The imports of the month of October were large, as follows:

	IMPORTS, PORT OF NEW YORK.				Total.
	Specie.	Free goods.	Consumption.	Entered for Warehouse.	
January.....	\$101,906	\$2,413,649	\$8,741,227	\$4,482,794	\$15,739,676
February.....	213,971	783,561	7,372,589	3,657,775	12,037,846
March.....	123,616	1,828,806	11,461,572	3,454,530	16,370,524
April.....	107,061	1,828,216	9,498,830	6,456,208	17,885,315
May.....	197,217	710,021	7,980,281	5,437,404	14,324,923
June.....	109,997	780,963	6,328,581	5,377,885	12,597,426
July.....	182,245	683,880	9,080,210	4,227,265	14,173,600
August.....	113,877	509,781	10,604,580	4,409,891	15,038,129
September.....	78,231	786,864	11,203,535	3,431,310	15,499,940
October.....	78,058	741,888	11,835,569	4,189,457	16,894,967

Total 10 months	\$1,806,174	\$10,067,719	\$93,551,924	\$49,516,967	\$154,442,784
" 1862....	1,202,253	19,814,625	91,087,726	89,165,697	151,270,391

These importations were to some extent the response to the second orders that were sent out on the revival of business in September, but they come out at much higher cost, since the prices had risen 15 @ 20 per cent, and the landing charges here, including duties and exchange, were very much higher when the goods arrived than when they were ordered. The average duty paid was as follows :

	1861.	1862.	1863.
Imports for customs	\$6,156,560	\$11,571,942	\$16,744,081
Duties.....	1,672,617	4,309,419	6,238,943
Per cent.....	27	37	37

The premium on gold being in the neighborhood of 50 per cent, the duties were really 55 per cent, and with the extra exchange 110 per cent average on the importations. Nevertheless, under the spur of paper money the demand was quite sufficient to sustain that increased cost, and the season closed with a small stock of goods.

The exports have really declined, although the paper prices in which they are quoted make the aggregate nominally higher. They were as follows :

EXPORTS, PORT OF NEW YORK.

	Specie.	Foreign.			Domestic.	Total.
		Free.	Dutiable.			
January.....	\$4,624,574	\$73,111	\$668,275		\$14,829,398	\$19,695,351
February.....	3,965,664	43,889	610,009		17,780,586	22,400,148
March.....	6,385,442	213,685	758,266		16,137,689	23,695,082
April.....	1,972,834	74,949	375,224		11,581,933	14,004,940
May.....	2,115,679	101,337	602,254		13,183,510	16,002,780
June.....	1,367,774	49,380	298,067		14,780,072	16,495,293
July.....	5,268,881	77,382	448,601		15,298,078	21,092,787
August.....	2,465,861	90,813	231,774		10,666,959	14,454,809
September.....	3,480,385	55,400	238,972		11,717,761	15,492,518
October.....	6,210,156	145,325	350,614		14,513,454	21,219,549
Total 10 months	\$39,056,650	\$925,123	\$4,582,056		\$139,989,435	\$184,558,264
" 1862....	49,550,658	2,699,821	4,263,668		120,314,139	176,828,286

The decline in prices of breadstuffs and provisions abroad, at a time when a speculative demand sprung up here, placed the largest staple exports above the English rates, and corn and wheat ceased to be exported. The decline of commercial bills, added to the distrust attached to them, by reason of the long continued decline of prices abroad, sustained gold. Nevertheless, the demand for gold in the past two weeks has been less than was looked for, since the market was supplied by bills taken on speculation in the summer months. These operations are a new feature in market, and are born of the speculative character imparted to every business by the new Government currency. In ordinary times exchange seldom varies $\frac{1}{4}$ @ $\frac{1}{2}$ per cent, and the importers buy what they want through brokers, or directly from the bankers. Under the paper system, when notes are based on gold, above and around which the paper flood surges from hour to hour, the matter requires to be closely watched to avoid great losses. The prudent importers possessed of capital, when gold is low, buy it and buy bills to prepare for the coming storm, by many not possessed of large means, and also speculators, buy "options" similar to those in the stock market.

They deposit perhaps 5 per cent, say \$5,000, with the banker, and agree to take any time, within sixty days, say \$100,000 of exchange at

1 or 2 per cent above the market price. Thus, if the rate is 145, they give 146½. The banker immediately covers his bill with gold and waits until it is called for. This is a very profitable business for him, but is expensive for the importer, since it is paying 1 per cent per month for money. For the speculator it has been profitable in the last sixty days, as the rate has risen in that time 25 per cent. These bills, called for by speculators, are now put upon the market, and, being already covered with gold, keep the demand for the latter limited.

The rates of exchange have been as follows :

RATES OF EXCHANGE.												
	London.		Paris.		Amsterdam.		Frankfort.		Hamburg.		Berlin.	
Jan. 3,	146	a 147½	3.85	a 3.80	56	a 56½	56	a 56½	49½	a 49½	98	a 98½
" 10,	149	a 152	3.72½	a 3.67½	56	a 58	57½	a 58½	50½	a 51½	99	a 100
" 17,	160	a 162	3.52½	a 3.45	60½	a 61½	61	a 62½	54	a 55½	108	a 110
" 24,	162½	a 163	3.50	a 3.45	61	a 61½	61½	a 62	54	a 54½	107	a 108½
" 31,	171	a 177	3.32	a 3.15	65½	a 66½	65	a 67	57	a 58½	114	a 117
Feb. 7,	169	a 173	3.30	a 3.25	65	a 65½	65	a 65½	57	a 57½	114	a 116
" 14,	170	a 171	3.32	a 3.27	65	a 65½	65	a 65½	56½	a 57½	113½	a 114½
" 21,	171	a 179½	2.20	a 3.12	67	a 68½	68	a 68½	59	a 60½	118½	a 119½
" 28,	185	a 188	3.10	a 3.00	67½	a 71	70	a 71	61½	a 62½	123	a 124
Mar. 7,	167	a 169	3.37½	a 3.30	64	a 64	65	a 66	55	a 55½	111	a 113
" 14,	168	a 171	3.35	a 3.30	64	a 64	64½	a 65½	55½	a 56½	112	a 114
" 21,	169½	a 171½	3.37½	a 3.27½	63½	a 63½	63½	a 64½	56	a 57	113	a 114
" 28,	167	a 161	3.57	a 3.47	61	a 62	61	a 62	56	a 54	107	a 108
April 4,	168	a 172	3.40	a 3.25	62½	a 63½	62½	a 64	55½	a 57	111	a 111
" 11,	158	a 162	3.55	a 3.45	61	a 62	61	a 62	53½	a 54½	106	a 108
" 18,	165	a 167½	3.37½	a 3.45	62½	a 62½	62½	a 63	54½	a 55½	108	a 110
" 25,	163	a 165	3.47½	a 3.50	61	a 61½	61½	a 62	53½	a 54½	107	a 108
May 2,	163	a 165	3.47½	a 3.42	61½	a 62½	61½	a 62½	53½	a 54½	107	a 108
" 9,	163	a 170	3.42½	a 3.32	62½	a 63	62½	a 63½	55½	a 56½	110	a 112
" 16,	162½	a 164	3.50	a 3.45	61½	a 62	61½	a 62½	54	a 55	107	a 109
" 23,	161	a 163	3.52	a 3.45	61	a 61½	61½	a 62	54	a 54½	107	a 108
" 30,	156½	a 158	3.62½	a 3.55	59½	a 60½	60	a 60½	52½	a 53	104½	a 106
June 6,	158½	a 160	3.57½	a 3.52½	59½	a 61½	60	a 60½	52½	a 53½	105	a 106
" 13,	156	a 161	3.55	a 3.47½	59½	a 61	60	a 61½	52½	a 54	104	a 107
" 20,	155	a 157	3.62	a 3.57½	58½	a 59	58½	a 59½	51	a 52	103	a 104
June 27,	159	a 160½	3.55	a 3.50	59½	a 60½	60	a 60½	52½	a 52½	106½	a 107
July 11,	143	a 146	3.95	a 3.85	54	a 54½	54	a 55½	47½	a 48½	94	a 96
" 18,	138	a 139	4.07	a 4.02	51½	a 52	50	a 52½	46½	a 46½	92	a 93
" 25,	138	a 139	4.10	a 4.05	51½	a 52½	51½	a 52½	45½	a 46½	91	a 92
Aug. 1,	140	a 141½	4.06½	a 4.00	52½	a 53	52½	a 53½	46½	a 47½	92½	a 93½
" 8,	139½	a 140½	4.06	a 4.00	52½	a 52½	52½	a 52½	46½	a 47	92	a 92½
" 15,	137½	a 138½	4.12½	a 4.08½	51½	a 52	52	a 52½	45½	a 46	91½	a 92
" 22,	137½	a 138½	4.12½	a 4.08½	51½	a 52½	52	a 52½	45½	a 45½	90½	a 91½
" 29,	135½	a 136½	4.10	a 4.15	51	a 51½	21½	a 51½	45	a 45½	90	a 91
Sept. 5,	141	a 147	4.00	a 3.90	52½	a 56½	52½	a 52½	46½	a 48	95½	a 96½
" 12,	142	a 144½	3.92½	a 4.00	53	a 53½	53½	a 54	47	a 48	93½	a 94½
" 19,	146	a 147½	3.87½	a 3.83	54½	a 55	54½	a 55½	48	a 48½	95½	a 97
" 26,	151	a 152½	3.77½	a 3.71½	56½	a 56½	56½	a 57	49½	a 50	99	a 100
Oct. 3,	154½	a 157½	3.65	a 3.57	58	a 59	58½	a 59½	51½	a 52½	103	a 104
" 10,	160½	a 162	3.55	a 3.48½	60½	a 61	60½	a 61½	53	a 53½	106½	a 107½
" 17,	168½	a 172	3.33½	a 3.27½	63½	a 64	64	a 64½	56	a 56½	111½	a 113
" 24,	168	a 159	3.56½	a 3.51½	59½	a 60½	60	a 60½	53	a 53½	105	a 106
" 31,	158½	a 159½	3.69	a 3.52½	59	a 60	60	a 60½	52½	a 53½	105½	a 106½
Nov. 7,	161	a 163	3.51½	a 3.46½	61	a 61½	61½	a 62	53	a 54	106	a 108
" 14,	161	a 162	3.52½	a 3.47½	60½	a 61½	61	a 61½	53	a 53½	106½	a 106½
" 21,	168	a 169½	3.36½	a 3.32½	62	a 63	63	a 63½	55	a 56	110	a 111½
" 27,	167	a 158	3.62½	a 3.56½	59	a 60½	59½	a 60½	51½	a 52½	105	a 106½

These rates, which in September were quite up to the gold rate under the speculative demand, have since been depressed under the sales of those

speculative bills, and the shipments of gold have been proportionately as follows :

SPECIES AND PRICE OF GOLD.

		1862.		1863.			
		Received.	Exported.	Received.	Exported.	Gold in bank.	Prem. on gold.
January	3.	.....	442,147	.....	681,448	85,954,550	34½ a 34½
"	10.	885,928	1,035,025	1,277,788	726,746	86,770,746	34 a 39
"	17.	.....	547,708	.....	1,880,247	87,581,465	40 a 49
"	24.	627,767	322,918	678,841	780,816	88,549,794	47 a 50½
"	31.	.....	310,484	.....	1,331,027	88,894,840	48½ a 60½
February	7.	854,000	976,235	801,860	1,277,000	88,243,839	57½ a 57½
"	14.	614,146	1,156,154	359,978	1,152,546	88,426,460	53½ a 53½
"	21.	759,247	934,512	.....	520,017	87,981,310	54 a 64
"	28.	741,109	510,774	285,394	1,877,016	89,512,256	71 a 72
March	7.	679,074	585,236	1,243,551	733,643	89,705,089	52½ a 53
"	14.	677,058	477,335	.....	8,540,550	86,110,085	54½ a 54½
"	21.	.....	540,968	249,514	1,201,907	88,955,122	53 a 54½
"	28.	490,368	779,564	159,105	1,050,156	84,317,691	41 a 42
April	4.	581,293	673,826	250,778	473,885	84,257,121	53 a 54
"	11.	.....	1,505,728	250,728	607,059	85,406,145	48 a 52½
"	18.	617,279	693,436	217,602	158,487	86,761,696	52 a 53½
"	25.	635,546	1,151,300	256,604	629,855	87,175,067	47 a 51½
May	2.	410,804	712,275	.....	294,998	86,846,528	48 a 50½
"	9.	484,019	1,574,166	205,057	451,827	88,102,638	58½ a 47
"	16.	604,632	1,093,031	.....	661,996	88,556,552	49 a 49½
"	23.	501,204	938,032	258,570	438,745	88,544,865	48½ a 49
"	30.	224,911	881,452	.....	279,994	87,632,634	44½ a 44½
June	6.	553,035	1,647,299	818,066	411,488	87,241,670	46 a 46½
"	13.	852,391	1,990,327	.....	235,364	87,884,128	48 a 48½
"	20.	612,461	3,156,988	.....	522,147	88,814,206	42 a 43½
"	27.	393,212	3,094,101	187,082	134,432	88,271,702	46 a 46½
July	4.	.....	2,647,060	.....	347,807	88,302,826	44 a 44½
"	11.	641,451	2,424,916	254,947	401,936	88,712,397	32½ a 32½
"	18.	441,179	1,846,023	.....	2,190,731	88,254,427	28 a 23½
"	25.	.....	784,587	.....	1,725,748	35,910,227	26 a 26½
August	1.	G. Gate lost.	748,528	270,182	480,374	33,746,681	28½ a 29
"	8.	964,422	890,552	.....	530,044	33,156,548	26½ a 27
"	15.	.....	700,431	313,612	1,210,230	32,873,913	25 a 25½
"	22.	1,089,111	919,825	.....	238,398	31,520,499	24½ a 25
"	29.	.....	1,137,644	231,854	1,379,710	32,030,055	24½ a 24½
Sept.	5.	807,063	551,097	.....	309,799	31,989,881	32½ a 33
"	12.	.....	1,042,835	279,043	852,752	32,018,107	28 a 29
"	19.	934,415	490,865	193,584	535,796	31,014,411	32½ a 33
"	26.	758,286	996,892	277,880	1,411,611	30,008,566	39 a 39½
October	3.	.....	713,075	.....	803,583	30,064,614	42½ a 42½
"	10.	807,616	2,255,513	268,282	2,555,656	29,927,281	46½ a 47
"	17.	.....	1,714,551	.....	1,206,950	28,382,473	51½ a 52
"	24.	763,121	2,024,330	267,911	1,243,273	28,804,281	45½ a 46
"	31.	.....	351,547	.....	585,302	28,124,921	46½ a 46½
Nov.	7.	.....	711,606	547,838	646,017	28,783,281	47½ a 47½
"	14.	708,731	1,894,708	281,340	395,796	29,177,849	47 a 47½
"	21.	921,207	2,458,529	261,780	1,006,907	.....	46½ a 54½
Total....		10,171,916	43,237,818	.....	.....	.....	.....

The amount of gold in the country at the present time, as compared with 1861, when the war broke out, has been a matter of some interest. When the war commenced its first effect was to cause a large importation of gold, because the credits existed abroad for produce sold, and the usual imports of goods ceased.

SUPPLY.

	Import.	U. S. Mint.	Total.	Export.
1861.....	\$4,358,175	\$31,220,101	\$45,578,276	\$27,741,484
1862.....	37,088,418	28,710,240	65,798,658	37,880,920
1863.....	1,981,230	20,814,290	22,795,530	50,414,049
Total.....	\$48,427,828	\$80,744,631	\$134,172,459	\$107,735,458
Excess supply.....				26,437,006

This must be corrected by the quantities of coin that have found their way to Canada and to the South. Of these there can be no correct data. The probability is that we have now \$50,000,000 less coin than when the war began.

THE ERICSSON IRON-CLADS NOW BUILDING.

THE 14th of October last the Manhattan, one of the new Ericsson iron-clads, was launched in Jersey City. The Manhattan is a one-turreted Monitor, resembling the original craft of that name in her general features. She will have no masts, no bulwarks, no structure of any kind on deck, except the turret. Although in the chief points of her construction there is great similarity between her and the first vessel of her kind, considerable difference exists in the details. To give an idea of the progress made in building this description of vessels, it will be interesting to recall the prominent features of our first and second batches of iron-clads. It will be observed that only in the dimensions and in some of the minor characteristics have we diverged from the original plan. The following is a correct statement of the peculiarities of these three classes:

	The original Monitor.	Pascale batch.	Manhattan batch.
Length.....	190 feet.	200 feet.	235 feet.
Width.....	30 "	40 "	46 "
Depth of hold.....	9 "	9½ "	14 "
Draught of water.....	9 "	10 "	14 "
Armor of sides.....	4½ inches.	4½ inches.	9 inches.
Thickness of turret....	11 "	11 "	11 "
Diameter of turret.....	21 feet.	21 feet.	21 feet.
No. of turrets.....	1	1	1
Diameter of cylinders ..	30 inches.	35 inches.	40 inches.
Armament.....	2 11-in. guns.	11 and 15 in.	2 13-inch.
Tonnage	800	844	1,400

It will be observed that the most important difference between the power of the first Monitors and the Manhattan consists in the armor and armament—the offensive and defensive attributes. Instead of four and a-half inches of iron, we have nine inches; and instead of one eleven and one fifteen-inch gun, the Manhattan will have two thirteen-inch guns, which, however, will be able to burn more powder than the old fifteen-inch guns. It was impossible, when adding additional weight of armor to the ship, to make the draft of water as light as in the Monitor, if that were even desirable, which is a matter not decided on. One of the peculiarities of the Manhattan is that she has sponsons, which tighten the frame to the vessel, as it were. In the original Monitor this sponson was left out, and the consequence was that the overhang was said to have been the cause of the loss of that celebrated little vessel. Captain ERICSSON

does not believe it to have been so, but in order to comply with the wishes of a majority of the people at Washington, he introduced this sponson, which counteracts the influence of the overhang in a great measure and makes the vessel more compact. The machinery for working the guns in the turret will be preserved, although the thirteen-inch guns do not require half the care the fifteen-inch did. It is worth remarking that the English employ something like fifteen or sixteen men to work the Armstrong gun, throwing a much lighter ball than our fifteen-inch gun, while we can work the fifteen-inch gun with four men, owing to the splendid mechanical facilities in the turret. The accident that happened to one of the Monitors during DUPONT's attack on Charleston, which resulted in the temporary crippling of the turret, cannot happen to the Manhattan, because an immense band of iron, several inches thick, perfectly solid and massive, covers the whole external base of the turret, rendering it absolutely impossible for any shot or shell to pierce it. This will insure the freedom of the turret, so far as its revolving power consists, from being prevented by an enemy's shot. The ventilation of the Monitors has been a subject of great interest, and the Navy Department, as well as its officers, have given it a great amount of attention. In the original Monitor, when the hatch was closed down and the ship in battle trim, the air was very foul, and it was even difficult to exist. In the Passaic batch of vessels the air was much better, and indeed many thought that it was as good as it need be. Recently, however, improvements have been made, and the ventilation of the entire ship is now as good as that of a 150 line-of-battle ship with all her ports open. The invention which gives this advantageous result is due to Mr. STRIMERS. The wind pipes run underneath the deck and branch off to the officers' ward-room, forcing a continuous current of air through the vessel, so that it is rendered cool and comfortable in the warmest climate. The propeller is driven by two powerful engines, with cylinders of forty inches in diameter and twenty-eight inches stroke of piston. It will be observed that the speed of the Manhattan will, in the natural course of things, be much greater than that of the original Monitors, as the dimensions of her cylinders are nearly ten inches greater than those of the other ships. This is one of the most important requirements of an iron-clad vessel, particularly of one presenting such an unusual bow to the water. The Passaic and Montauk class have not been able to make as many knots as was expected; but it is hoped the new batch will do better. The service speed of the Manhattan is ten knots an hour at sea—nearly double that of her sister Monitors. In still less important matters there are some points of difference. In keeping the anchor, for instance, an arrangement by which two holes are placed on each side of the bow, while in the other Monitors it was directly in the centre. The head room between decks is also greater than in the other Monitors. The officers and crew are on the same floor, the former in the forward and the latter in the aft of the vessel. They number seventy-five men. The berth deck contains sixteen state-rooms. In fastening the armor, rivets are substituted for bolts, as the latter give way and fly about when struck by heavy projectiles in a severe engagement. In the arrangement of the machinery, the air and circulating pumps and the surface condensers are independent of the main engines, and can thus be operated when the main engines are standing still, maintaining constantly a vacuum, and being able to keep up the condensation of steam, instead of blowing it

off into the atmosphere, which every naval officer will appreciate, because it has been one of the most intolerable annoyances of the introduction of steam in the navy that when orders were given on the deck the blowing of the steam rendered them inaudible, and it could not be silenced without danger of being blown up.

Thus, we see what are some of the defects of our own iron-clads, the changes that have been made to cure them, and the improvements that have been from time to time added. We believe they have now reached a point of excellence that will enable them to defy the attack of any European fleet that can be sent against us. In fact, neither England or France has, at present, an iron-clad vessel capable of safely crossing the ocean.

The following is the class of vessels to which the Manhattan belongs :

Name.	Tonnage.	Where building.
Canonicus.....	1,034	South Boston.
Catawba.....	1,034	Cincinnati.
Manhattan.....	1,034	Jersey City.
Manayunk.....	1,034	Pittsburg.
Mahopac.....	1,034	Jersey City.
Oneota.....	1,034	Cincinnati.
Saugus.....	1,034	Wilmington, Del.
Tippecanoe.....	1,034	Cincinnati.
Tecumseh.....	1,400	Jersey City.

The following is a list of all the iron-clad vessels now in course of construction from the plans of Captain Ericsson :

Names of vessels.	Contractors.	Local Inspectors.
Dictator.....	John Ericsson.	Eng. E. D. Roble.
Puritan.....	John Ericsson.	Eng. E. Lawton.
Tecumseh.....	Secor & Co.	Eng. J. Farron.
Mahopac.....	Secor & Co.	Amos Broadnax.
Manhattan.....	Perine, Secor & Co.	Amos Broadnax.
Canonicus.....	Harrison Loring.	Eng. D. B. Maccomb.
Manayunk.....	Snowden & Mason.	W. E. Roe.
Catawba.....	Niles Works.	Eng. C. H. Loring.
Oneota.....	Niles Works.	Eng. C. H. Loring.
Tippecanoe.....	Miles Greenwood.	Eng. C. H. Loring.
Saugus.....	Harlan, Hollingworth & Co.	Eng. H. H. Stewart.
Napa.....	Harlan, Hollingworth & Co.	Eng. H. H. Stewart.
Yazoo.....	Merrick & Son.	W. K. Thomas.
Junxis.....	Reany, Son & Archibald.	Eng. R. H. Long.
Umpqua.....	Snowden & Mason.	W. E. Roe.
Warsaw.....	A. & W. Denmead & Co.	G. B. Davids.
Casco.....	Atlantic Works.	Eng. E. Lawton.
Simcook.....	Globe Works.	B. F. Leonard.
Chimo.....	Aguila Adama.	Seth Wilmarth.
Klamath.....	Alexander Swift & Co.	Robert Glynn.
Suma.....	Alexander Swift & Co.	Robert Glynn.
Naubac.....	William Perine.	R. Robinson.
Shawnee.....	Ourtis & Tilden.	Eng. E. Lawton.
Cohoes.....	William F. Merritt.	J. Drake.
Koka.....	Willcoz & Whiting.	L. T. Spencer.
Squando.....	McKay & Aldus.	1st Asst.-Eng. E. Hoyt, Jr.
Moduc.....	J. Underhill.	J. G. E. Larned.
Nauset.....	Donald McKay.	1st Asst.-Eng. E. Hoyt, Jr.
Shiloh.....	George C. Beston.	D. G. Wells.
Etah.....	Charles W. McCord,	D. G. Wells.

JOURNAL OF MERCANTILE LAW.

IMPORTANT INSURANCE DECISION.

A NOVEL litigated case, and one of much importance in the law of marine insurance, has recently been decided in the Supreme Court of Massachusetts, the details of which occupy a large space in the Boston *Daily Advertiser*. The suit was brought by T. W. HOXIE against the Pacific Insurance Company—BIGELOW, C. J. The facts of the case may be thus briefly stated:—The vessel which was the subject of insurance in the policy declared on, having sailed from Perth Amboy in New Jersey, in May, 1860, bound on a voyage to Aspinwall, was compelled by reason of sea damage to put back into the port of Bermuda, which she had previously passed in the prosecution of her voyage, for the purpose of making necessary repairs. There were in that port ample means and opportunities of putting the vessel in a state of complete repair, and of fitting her in all respects for sea. On the first day of September, 1860, she was still undergoing repairs, which were not finished until the fifteenth day of that month, soon after which she proceeded to sea in the further prosecution of the adventure on which she sailed from Perth Amboy. The policy declared on was effected on the twelfth day of September. As nothing is shown to the contrary, it must be assumed that, at the date of the policy and on the day when the risk began, the vessel was in such condition, undergoing repairs, that she was seaworthy for port, so that the policy attached.

In this state of facts, the question to be determined was, whether in a policy on time upon a vessel so situated there was an implied warranty for seaworthiness, similar to that which the law implies in case of a voyage policy—that is, that the vessel is not only seaworthy for port, but also in a suitable condition for sea, by a breach of which the insurers are discharged from liability for loss happening from any cause. This interesting and important question of commercial law was argued at great length—the code was pretty thoroughly overhauled, and all cases of apparent analogy cited—but, from the authorities produced, there would seem to be no foundation, in the opinion of the Judge, for the positions assumed by defendants that there is no warranty of seaworthiness in any policies on time—a warranty which is said to lie at the basis of the contract of marine insurance.

It is easy to see a good reason for holding that a policy on time effected on a vessel when at sea does not include any warranty of her seaworthiness at the commencement of the risk. In such case, the insurance is on a "vessel in an unknown sea in an unknown state." The insured has no means of knowing her actual condition, or, if she is injured and out of repair, of restoring her to a condition of seaworthiness. Both parties enter into the contract with a full knowledge of these facts. It would not only be pushing a rule of law to an unreasonable extent to say that under such circumstances the assured undertakes to warrant his ship, of the conditions and circumstances of which he could know nothing, to be then seaworthy for any purpose, but it would be contrary to the manifest intent and understanding of the parties. In such cases, the circumstances attending the making of the contract of insurance tend directly to rebut any implication of

a warranty of seaworthiness at the inception of the risk. But when it is attempted to go farther, and to say that, because in certain cases of insurance on time it cannot be reasonably held that there is an implied warranty of seaworthiness at the inception of the risk, there is no such implied warranty at all in any such policy, whatever may be the circumstances under which the contract was entered into, the reasoning seems to be fallacious and unsound. Certainly it would be contrary to all the received canons of legal exposition to construe policies of this nature as if they were isolated contracts, having no connection with or affinity to other similar contracts under the law-merchant, and to which only the general rules regulating the interpretation of ordinary written contracts are to be applied. These ought not to be taken out by the mere force of judicial construction from the class of contracts to which they belong, or from the rules and principles by which such contracts are interpreted, any further than is rendered absolutely necessary by the peculiar stipulation, which distinguishes them from other contracts of marine insurance. Indeed, it is with reference to these rules and principles, long established and well known by all persons engaged in commercial transactions and the business of insurance, that these policies must be presumed to be made; and to disregard and reject them in giving an interpretation to the provisions which they contain, would be clearly contrary to the plain intent and understanding of the parties. Every implied warranty, therefore, which according to the usages of insurance and the decisions of courts of law is presumed from the fact of making an insurance on a ship or vessel under the well known forms adopted for policies, is to be annexed to and form part of a policy on time, as well as of one for a specified voyage, unless inconsistent with the nature of the risk or the circumstances under which the policy was entered into.

It was suggested by the counsel for plaintiff that if any warranty of seaworthiness was implied in the policy declared on, it was fully complied with by proof of the fact that the vessel was seaworthy at Perth Amboy on her departure in the prosecution of the adventure during the continuance of which the policy was effected and the vessel was lost. "But we are unable," says the Judge, "to appreciate the soundness of this suggestion. It confounds the voyage insured with the actual voyage on which the vessel happens to be bound at the date of the policy; these two have no necessary connection." The conclusion arrived at by the Judge was, that there was an implied warranty of seaworthiness in the policy declared on, in analogy to that which would arise under similar circumstances in a policy for a voyage; and, that the insurance having been effected on a vessel while in port, to take effect from a certain day, which was before she sailed thence, the warranty includes seaworthiness for ports as well as seaworthiness in setting out therefrom, as in a policy at and from a particular place.

INTERESTING QUESTION TO IMPORTERS IN U. S. COURT, BEFORE JUDGE NELSON.

MANUEL ECHEVERRIA ET AL. VS. HIRAM BARNEY.

THIS suit is brought to recover back an excess of duties paid under protest on an importation of wool, lead in bars, goat-skins and cotton, in the Spanish bark *Teresita*, by the plaintiffs from Matamoras, September 4th, 1862. The duty paid and protested against was a discriminating duty of

ten per cent, claimed under the third section of the act of 5th of August, 1861. The first and second sections of that act imposed certain duties on articles specially enumerated in each section. The third section provides that "all goods, &c., imported from beyond the Cape of Good Hope in foreign vessels not entitled by treaties to be exempt from discriminating duties, &c., and all other articles, goods, &c., not imported direct from the place of their growth or production, or in foreign vessels, entitled by reciprocal treaties to be exempt from discriminating duties, &c., shall be subject to pay, in addition to the duties imposed by this act, ten per cent *ad valorem*." It is admitted that Spain has no such treaty as is mentioned in the section, and hence there is no difficulty in imposing the discrimination against her in all cases where the section applies. But none of the articles in this importation, except "lead in bars," is charged with a duty in the two preceding sections, or in any other section of the act, and therefore the third section imposing the ten per cent does not apply according to its very terms. The words are—"in addition to the duties imposed by this act, ten per cent *ad valorem*." The first section had imposed "on lead in pigs or bars," a duty of one dollar and fifty cents per one hundred pounds—the third section, therefore, applied to this article, the Spanish vessel not being exempt by treaty from the discrimination, which, in addition to the above rate, charged it with the ten per cent *ad valorem*. Wool is charged with a duty under the twelfth section of the act of March 2, 1861, and goat-skins, and cotton, under the eighth section of the act of July, 1862. That section provided, that from and after the day and year aforesaid (1st of August, 1862), in lieu of the duties heretofore imposed by law on the articles hereinafter mentioned, and on such as may now be exempt from duty, there shall be levied, &c., the following duties:—"On cotton, one-half cent per pound; on hides, raw, and skins of all kinds, ten per cent *ad valorem*." Before this, the duty on "raw hides and skins of all kinds" was five per cent, under the tenth section of the act of March 2d, 1861, and under the twenty-third section of the same act, cotton was free of duty. Whether, therefore, we look to the third section of the act of August 5, 1861, itself, which subjects the articles, under the circumstances stated in the section, to a duty of ten per cent in addition to that imposed by the act in the previous sections, or to the eighth section of the act of 1862, which imposes the duty in lieu of the duties heretofore imposed by law, it is quite clear that the discriminating duty in the third section does not apply to the articles of wool, goat-skins, or cotton. The difficulty appears to me insuperable to undertake to apply the third section of the act August 5, 1861, to the article of wool, which is subjected to duty under the act of March 2, previous, or to the articles of goat-skins and cotton, charged with a duty under the act of July, 1862, when, by the very terms of the third section, the additional duty there imposed is in addition to the duty fixed by that act of which the section is a part. If the language had been as used in some of the sections of the act of July, 1862, "in addition to the duties heretofore imposed by law"—or had used language which has never yet been used, I think, in any tariff act—"in addition to the duties that may hereinafter be imposed by law," the construction claimed by the Government might very well have been sustained. But no such language is used; on the contrary, the language is, as we have seen, "in addition to the duties imposed by this act." Judgment for the plaintiff.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

BANK RETURNS AND BANK ITEMS.

CITY BANK MOVEMENTS AND RETURNS.—The past month has been one of unusual pressure with the New York banks, and consequently of great stridency in the money market. We would refer our readers to our usual money article (*Commercial Chronicle and Review*,) for a history of this crisis and its causes. It will be noticed that at the close of last month the loans had reached in New York alone \$204,000,000, and the deposits were \$173,000,000, while the banks held only \$16,000,000 in legal tenders and still owed their proportion of \$27,500,000 on the loan they had made Government. These few facts, together with the further ones that now the loans have been reduced to \$176,000,000 and the deposits to \$145,000,000, tell the whole story.

The following have been the payments on the \$50,000,000 loan:

	New York banks.	Other banks.
5 per cent when loan was taken.....	\$1,750,000	\$750,000
10 " September 20.....	3,500,000	1,500,000
10 " " 27.....	3,500,000	1,500,000
10 " October 3.....	3,500,000	1,500,000
10 " " 19.....	3,500,000	1,500,000
10 " November 10.....	3,500,000	1,500,000
10 " " 13.....	3,500,000	1,500,000
10 " " 18.....	3,500,000	1,500,000
10 " " 21.....	3,500,000	1,500,000
Total.....	\$29,750,000	\$12,750,000
Making the total paid.....		42,500,000
Leaving still to paid.....		7,500,000

Amount of loan..... \$50,000,000

On September 5, over two months ago, at a meeting of bank managers of New York, the loan committee was authorized to enforce the equalization of legal tender notes on any day that it pleased, by a simple order conveyed to the banks. This resolution to equalize the notes was not enforced until Saturday, November 7. The New York banks now hold about \$20,000,000 in legal tenders.

Below will be found our usual bank returns for the three cities, brought down to the latest dates:

NEW YORK BANKS.

NEW YORK BANKS. (*Capital, Jan., 1863, \$69,494,577; Jan., 1862, \$69,493,577.*)

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
January 3.....	\$173,810,009	\$35,954,550	\$9,754,356	\$159,163,248	\$186,861,762
" 10.....	175,816,010	36,770,746	9,551,563	162,878,249	249,796,489
" 17.....	176,606,558	37,581,465	9,241,670	164,666,003	314,471,457
" 24.....	179,288,266	38,549,794	9,083,419	168,269,228	298,861,866
February 7.....	179,892,161	38,243,839	8,780,154	166,342,777	302,352,571
" 14.....	178,103,592	38,426,460	8,756,217	167,720,880	265,139,104
" 21.....	178,335,880	37,981,310	8,752,586	170,103,758	291,242,929
" 28.....	179,958,842	39,512,256	8,739,969	173,912,695	340,574,444

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
March 7.....	181,098,822	39,705,089	8,698,175	174,689,212	344,484,442
" 14.....	177,875,949	36,110,085	8,657,016	172,944,084	307,370,817
" 21.....	173,829,479	33,955,122	8,609,723	167,004,466	277,831,351
" 28.....	172,448,526	34,317,691	8,560,602	168,363,846	281,326,258
April 4.....	173,038,019	34,257,121	8,348,094	160,216,418	287,347,704
" 11.....	170,846,288	35,406,145	8,178,091	159,894,731	264,468,030
" 18.....	169,182,822	36,761,696	8,039,558	164,122,146	259,417,565
" 25.....	171,079,322	37,175,067	7,555,649	167,863,999	258,654,781
May 2.....	177,364,956	36,846,528	7,261,169	167,696,916	355,557,732
" 9.....	180,114,983	38,002,633	7,080,565	168,556,518	367,560,731
" 16.....	180,711,072	38,556,642	6,901,700	168,879,180	353,346,664
" 23.....	181,819,851	38,544,865	6,780,678	167,655,658	380,304,748
" 30.....	181,825,856	37,692,634	6,494,375	166,261,121	307,680,918
June 6.....	182,745,080	37,241,670	6,341,891	162,767,154	289,757,539
" 13.....	180,808,823	37,884,128	6,210,404	159,551,150	302,377,276
" 20.....	177,088,295	38,314,206	6,120,252	157,129,801	259,488,221
" 27.....	175,682,421	38,271,202	6,004,177	158,539,308	364,819,856
July 4.....	174,837,384	38,802,826	5,998,914	158,642,825	267,785,773
" 11.....	175,087,485	36,712,397	5,927,071	160,788,496	319,945,652
" 18.....	173,126,387	38,254,427	5,880,623	163,319,544	251,168,769
" 25.....	173,036,836	35,910,227	5,775,188	164,133,549	284,664,421
August 1.....	176,208,597	33,746,681	5,700,452	161,175,146	292,211,321
" 8.....	176,559,840	32,116,548	5,706,024	155,868,116	297,384,006
" 15.....	175,805,471	32,874,913	5,613,177	155,950,043	298,936,160
" 22.....	175,713,139	31,520,499	5,546,970	156,588,095	373,755,630
" 29.....	176,748,618	32,080,055	5,475,964	156,671,695	392,404,680
Sept. 5.....	178,477,037	31,989,381	5,456,016	158,110,687	394,814,312
" 12.....	200,028,980	32,018,107	5,457,366	178,588,622	371,510,559
" 19.....	207,679,456	31,014,411	5,414,643	185,576,199	343,263,949
" 26.....	204,501,984	30,008,566	5,377,886	186,080,773	354,208,025
October 3.....	206,412,874	30,064,614	5,375,586	182,653,494	375,032,638
" 10.....	206,906,903	29,927,281	5,522,178	180,037,283	399,285,092
" 17.....	206,638,749	28,382,473	5,618,764	178,050,317	427,981,203
" 24.....	204,013,870	28,804,915	5,799,097	172,487,596	469,175,465
" 31.....	203,222,418	28,124,921	5,971,733	171,176,254	443,205,385
Nov. 7.....	193,436,841	28,783,281	6,100,335	159,499,193	459,438,709
" 14.....	182,044,530	29,177,049	6,095,982	151,770,498	441,451,540
" 21.....	176,702,428	28,054,514	6,122,379	145,248,846	400,676,757

BOSTON BANKS.

BOSTON BANKS. (*Capital, Jan., 1863, \$38,231,700; Jan., 1862, \$38,231,700.*)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5...	\$77,339,046	\$7,672,028	\$8,190,496	\$38,372,648	.....	.....
" 12...	77,427,173	7,751,000	8,373,000	33,088,800	17,006,000	13,520,000
" 19...	76,624,700	7,710,600	8,199,600	33,382,000	16,547,800	13,727,700
" 26...	76,854,000	7,710,700	8,008,500	33,847,000	16,811,700	13,958,000
Feb. 2...	76,496,800	7,685,000	8,665,000	34,076,800	16,889,000	14,490,000
" 9...	78,421,000	7,707,000	8,074,000	35,178,600	16,932,000	14,183,000
" 16...	78,481,000	7,794,000	8,001,000	34,903,000	17,070,700	14,095,500
" 23...	78,782,600	7,624,000	8,092,000	34,965,500	17,381,000	14,583,800
Mar. 2...	79,127,500	7,558,000	8,001,980	35,245,500	17,523,500	15,004,000
" 9...	79,274,700	7,582,000	8,225,000	35,215,000	17,340,400	14,446,500
" 16...	79,606,134	7,609,238	7,780,062	32,955,149	17,230,300	13,434,500
" 30...	77,935,000	7,572,600	7,593,800	31,604,500	17,074,400	11,601,300
April 6...	76,933,600	7,703,800	7,963,500	32,687,000	15,444,000	12,280,600
" 13...	74,551,013	7,812,395	7,762,915	32,494,822	14,567,000	12,947,800
" 20...	78,459,160	7,799,315	7,278,506	33,209,742	14,132,000	12,658,000
" 27...	73,558,000	7,838,800	7,040,000	32,781,500	13,303,000	11,966,700
May 4...	73,218,155	7,854,731	7,433,496	31,949,762	13,237,700	11,622,600
" 11...	73,062,789	7,847,849	7,688,233	31,309,985	13,147,000	11,800,000

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
July 18...	73,068,598	7,794,046	7,164,327	32,192,770	12,863,600	11,732,000
" 25...	72,574,000	7,777,000	7,011,700	33,000,000	12,787,000	11,748,000
June 1...	73,424,000	7,761,000	6,913,000	32,576,000	12,785,000	10,704,500
" 8...	73,592,000	7,788,557	7,030,286	31,728,285	12,626,700	10,774,700
" 15...	73,287,000	7,780,000	7,109,000	31,477,600	12,286,600	10,541,000
" 22...	73,851,000	7,697,000	7,344,500	31,356,800	12,504,600	10,914,700
" 29...	73,421,084	7,683,987	7,040,624	31,477,596	12,388,000	10,900,000
July 6...	73,548,918	7,744,827	7,473,800	31,509,263	12,233,000	10,891,000
" 13...	73,485,675	7,774,991	7,508,442	30,277,502	12,193,000	10,712,000
" 20...	73,421,000	7,684,000	7,401,500	29,287,000	13,802,000	10,154,600
" 27...	72,860,716	7,811,513	7,246,797	28,011,571	12,950,000	9,864,800
Aug. 3...	72,890,364	7,793,916	7,317,402	28,384,096	12,655,000	9,646,000
" 10...	71,997,603	7,793,276	7,440,212	28,247,266	12,822,678	10,136,180
" 17...	71,880,078	7,813,497	7,198,917	27,898,073	12,765,527	9,608,267
" 24...	71,447,520	7,780,903	7,803,767	27,510,154	12,662,321	9,573,673
" 31...	71,478,116	7,762,516	7,227,704	27,762,955	12,614,000	9,820,500
Sept. 7...	71,717,995	7,687,402	7,527,036	28,778,498	12,379,000	10,874,700
" 14...	75,599,232	7,691,589	7,600,556	31,143,588	13,424,000	11,097,000
" 21...	79,595,740	7,695,858	7,604,161	34,509,214	13,565,000	11,487,600
" 28...	78,368,387	7,707,106	7,620,371	34,495,540	13,315,000	12,138,000
Oct. 5...	77,798,427	8,042,042	8,107,720	35,485,811	13,498,000	13,765,600
" 12...	78,160,899	7,991,999	8,399,769	35,734,989	13,909,500	14,123,700
" 19...	78,216,435	7,880,832	8,323,451	36,127,597	13,506,500	13,967,000
" 26...	78,746,728	7,850,547	8,086,072	36,682,399	13,909,500	14,123,700
Nov. 2...	79,378,840	7,841,331	8,606,626	36,775,102	13,381,000	12,206,000
" 9...	78,554,017	7,975,057	9,527,161	34,557,547	12,668,000	12,172,000
" 16...	76,412,858	7,908,760	9,618,168	33,165,071	11,726,600	12,069,000

PHILADELPHIA BANKS.

PHILADELPHIA BANKS. (Capital, Jan., 1863, \$11,740,080; 1862, \$11,970,130.)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5...	\$37,679,675	\$4,510,750	\$4,504,115	\$28,429,189	\$6,948,785	\$1,994,928
" 12...	37,533,767	4,544,786	4,450,676	28,018,792	6,890,968	1,842,982
" 19...	37,416,694	4,549,369	4,382,520	27,877,069	7,050,847	2,276,905
" 26...	37,479,712	4,572,419	4,284,947	28,773,517	6,755,980	2,638,985
Feb. 2...	37,268,894	4,562,580	4,181,503	29,231,753	6,698,210	2,909,857
" 9...	37,336,367	4,319,706	4,039,918	28,062,164	6,953,215	2,518,036
" 16...	37,710,851	4,272,347	3,888,185	28,759,049	7,452,563	2,482,073
" 23...	37,720,460	4,276,761	3,772,781	29,342,596	7,413,249	2,703,196
Mar. 2...	37,901,080	4,267,626	3,696,097	30,176,518	7,185,670	2,758,852
" 9...	38,608,871	4,249,035	3,608,871	30,679,259	7,100,258	2,499,139
" 16...	39,260,028	4,247,817	3,534,880	30,549,587	7,476,603	1,939,449
" 23...	39,468,384	4,247,688	3,295,862	30,106,135	7,418,482	1,935,014
" 30...	39,937,612	4,311,704	3,369,194	29,171,283	6,504,758	2,158,007
Apr. 6...	37,516,520	4,389,252	3,374,417	29,581,559	5,768,558	2,770,129
" 13...	36,260,402	4,343,242	3,296,686	30,117,527	5,953,869	3,014,229
" 20...	36,295,644	4,348,988	3,185,042	31,059,644	5,806,809	3,018,727
" 27...	36,482,058	4,346,377	3,078,921	31,021,799	5,448,124	2,559,368
May 4...	36,587,294	4,355,324	2,989,428	30,859,231	5,828,898	2,891,087
" 11...	36,593,179	4,359,865	2,901,600	30,949,781	4,975,939	2,542,792
" 18...	36,837,301	4,357,119	2,866,121	31,892,308	4,640,623	2,536,279
" 25...	37,116,093	4,357,169	2,808,109	32,455,953	4,623,392	2,480,714
June 1...	37,143,937	4,357,021	2,706,953	31,888,763	4,705,278	2,363,648
" 8...	37,157,769	4,357,076	2,649,283	31,549,339	4,645,712	2,313,744
June 15...	37,228,627	4,357,025	2,621,098	31,648,959	4,914,425	2,892,278
" 22...	37,219,216	4,356,744	2,596,115	31,298,880	4,868,495	2,065,913
" 29...	37,250,665	4,359,543	2,556,855	31,466,204	5,116,692	1,820,600
July 6...	35,986,811	4,360,745	2,564,558	28,504,544	5,060,096	1,981,814
" 13...	34,866,842	4,360,003	2,507,253	28,701,813	4,784,343	2,530,552
" 20...	34,662,966	4,361,999	2,452,986	29,931,608	4,580,322	2,981,867

Date.	Loans	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
July 27,...	34,517,347	4,227,448	2,418,468	30,448,480	4,805,045	8,034,009
Aug. 3,...	34,390,179	4,187,066	2,417,789	30,799,448	4,968,290	2,772,717
" 10,...	34,645,243	4,112,013	2,380,720	30,513,961	4,740,391	2,538,096
" 17,...	35,890,179	4,112,542	2,353,896	29,959,127	5,161,578	2,168,440
" 31,...	35,299,376	4,113,309	2,292,607	30,195,167	4,551,031	2,219,071
Sept 7,...	35,773,596	4,113,162	2,258,306	30,654,672	4,574,037	1,997,534
" 14,...	39,576,410	4,103,115	2,223,533	33,626,702	4,997,015	1,801,678
" 21,...	40,175,698	4,102,701	2,224,632	33,089,035	5,079,742	1,802,889
" 28,...	39,485,313	4,116,683	2,224,374	32,402,783	4,618,754	1,822,228
Oct. 5,...	38,798,830	4,227,265	2,193,000	32,258,554	4,427,097	1,976,561
" 12,...	39,046,434	4,239,551	2,169,314	32,538,502	4,446,684	2,035,819
" 19,...	38,838,337	4,238,677	2,159,638	32,684,915	4,361,072	1,926,707
" 26,...	38,683,057	4,238,519	2,128,617	32,506,953	4,337,835	1,911,956
Nov. 2,...	39,180,421	4,164,804	2,106,284	31,805,965	4,697,888	1,943,382
" 9,...	38,647,125	4,167,671	2,109,521	30,812,091	4,336,929	2,051,061
" 16,...	37,876,645	4,158,884	2,089,990	30,732,600	4,076,614	1,925,740

The following is a statement of the amount of United States legal tender notes held by the Philadelphia banks at the dates mentioned :

June 22,.....	\$6,082,729	Sept 14,.....	\$7,081,480
" 29,.....	6,952,150	" 21,.....	6,573,404
July 6,.....	5,953,622	" 28,.....	6,375,334
" 13,.....	6,916,751	Oct. 5,.....	6,275,091
" 20,.....	7,066,693	" 12,.....	6,342,746
" 27,.....	7,903,732	" 19,.....	6,525,827
Aug. 3,.....	8,430,782	" 26,.....	6,775,401
" 10,.....	7,780,640	Nov. 2,.....	6,101,641
" 17,.....	7,530,339	" 9,.....	5,416,212
" 31,.....	6,858,540	" 16,.....	6,185,740
Sept. 7,.....	7,382,810		

EUROPEAN FINANCES—BANK OF ENGLAND RETURNS.—We publish this month an article in reference to the serious aspect of European finances, at the present time. The drain of specie from those two great specie reservoirs, the Banks of England and France, has been carried on to such an alarming extent as to induce the directors of those two institutions to raise their rate to six per cent. This may relieve them temporarily, but as the purchase of cotton from India and other new sources is going on and must continue to go on so long as this war lasts, payment for which must be made in specie, it can be but a temporary remedy. We see that the London *Economist* proposes to alleviate the pressure by drawing on India for its home expenses, etc., which fall due about six months hence—that is, it would pay what it now owes by anticipating these demands. It says :

"It is to be remembered that the cause of the present difficulty is a drain of silver to the East which the Bank of France did not in due time provide against. We are suddenly obliged to send much Bullion to India from hence. Now, it so happens that the Council of India are constantly drawing money from India. They accepted tenders for bills for £400,000 during the last week. It is the ordinary course of events that the Indian Government should remit hither money for their home expenses, which are more than £5,000,000 annually, and there is also a considerable amount of India debentures which fall due next spring. The normal state of things is, that the Secretary of State for India draws on India, where all his revenue is received, for all he has to expend in England, whether of ordinary outgoings or for the repayment of debt. For this purpose, he must get cash from India. We confess that it does not seem to be unreasonable that the Council of India should select the present moment for drawing to an unusual extent on India; for getting more cash from thence at this moment when we have so much to send thither. The effect of this will be that the

drain to India will be stopped, and that *no money will be sent either way*. The political demand of England on India will compensate and neutralize the commercial demand of India upon England.

"The Indian Government will be no loser by this operation. They never will be able to sell bills upon India in a better market. For the £400,000 they sold this week, the tenders within the prescribed limits amounted to the enormous sum of £2,830,000, and no seller can expect a better demand than this for his article. There is nothing unnatural or artificial in the operation we recommend. It is known that the cash balances in India are very ample, and that money is being remitted from thence. We do not wish a shilling to be brought home in consequence of the difficulty in our money market which would not otherwise have been brought home. We only suggest that what money is so drawn for should be drawn for now; that there be no risk of money passing both ways; that we should compensate for the neglect of the Bank of France, which has aggravated this sudden demand to India, by calling in our debts from India somewhat quicker than we should have otherwise asked for them."

This is all right and proper, we suppose, if the Government sees fit to do it, and yet it looks a little ridiculous for a wealthy nation, like Great Britain, to be living on its next year's income. A short time ago, all London was laughing at Paris, because the Bank of France was compelled to go to the former city and buy specie enough to carry it through the crisis. Now, however, England would go to India (she always goes to India when in trouble) to obtain help on a similar occasion. What will she do next year? There will be the same cotton to pay for, and the same balance (if not a greater) against her, on account of it.

The following comparative table will be of interest, showing as it does a view of the bank returns, the bank rate of discount, and the price of wheat in London during a period of three years corresponding with the date of our last returns, November 4th:

At corresponding dates with the week ending November 4, 1863.	1861.	1862.	1863.
Circulation, including bank post bills...	£21,575,597	£21,878,952	£22,783,018
Public deposits.....	4,240,889	6,271,105	5,066,818
Other deposits.....	13,515,241	14,979,889	18,861,173
Government securities.....	11,712,187	11,063,992	10,949,363
Other securities.....	16,460,864	19,627,192	20,009,524
Reserve of notes and coin.....	8,087,459	8,976,265	6,408,458
Coin and bullion. . .	14,210,774	15,425,810	13,799,428
Bank rate of discount.....	3 per cent.	3 p. cent.	6 per cent.
Average price of wheat... ..	59s. 5d.	48s. 7d.	41s. 2d.

Subjoined is our usual table with the returns brought down to November 4th, 1863:

WEEKLY STATEMENT.

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 17...	£19,932,360	£8,507,144	£14,033,994	£30,539,363	£16,031,668	3 pr. ct.
" 24...	20,160,398	8,654,499	14,806,497	31,346,781	14,870,795	3 "
" 31...	20,516,435	8,838,717	15,469,254	32,488,020	14,956,421	3 "
Jan. 7...	20,927,993	8,782,808	14,393,308	32,620,233	14,635,555	3 "
" 14...	21,018,849	4,280,730	16,772,782	31,165,075	14,102,169	4 "
" 21...	20,893,931	4,965,798	14,993,225	30,227,086	13,855,849	4 "
" 28...	20,771,236	5,416,863	14,414,763	30,238,865	13,611,823	5 "
Feb. 4...	20,709,154	6,351,617	13,352,287	29,997,233	13,692,136	5 "
" 11...	20,444,454	6,952,808	13,596,356	28,288,406	14,070,651	5 "
" 18...	19,916,496	7,413,275	13,769,276	29,890,503	14,589,222	4 "
" 25...	19,715,828	7,901,658	13,367,153	29,709,079	14,614,096	4 "
Mar. 4...	20,822,055	8,036,003	13,368,086	30,880,805	14,504,517	4 "
" 11...	19,801,665	8,673,899	13,282,605	31,096,327	14,328,178	4 "

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Mar. 17...	20,012,331	9,843,499	13,008,088	31,482,170	14,547,812	4 "
" 24...	20,136,276	10,864,471	12,742,282	31,896,338	15,025,274	4 "
Apr. 1...	20,965,228	10,107,041	13,172,090	32,775,752	15,141,755	4 "
" 8...	21,279,339	6,714,109	14,829,832	30,946,784	14,963,835	4 "
" 15...	21,326,820	5,769,276	15,013,391	29,974,677	15,229,237	4 "
" 22...	21,413,226	6,816,418	14,739,897	30,182,533	15,387,151	3 "
" 29...	21,452,800	7,178,312	13,606,939	29,994,349	15,348,492	3 1/2 "
May 6...	21,376,999	7,241,739	13,122,087	29,718,602	15,141,760	3 "
" 13...	21,252,916	6,735,137	13,727,556	30,201,120	14,653,141	3 "
" 20...	21,268,315	7,610,278	13,983,654	31,484,815	14,529,451	4 "
" 27...	20,909,319	8,002,346	13,842,718	31,412,190	14,500,019	4 "
June 3...	21,009,392	8,779,387	13,896,450	32,389,044	14,425,553	4 "
" 10...	21,080,460	9,782,830	13,783,268	33,240,192	14,556,121	4 "
" 17...	20,655,473	9,882,135	13,904,506	32,750,953	14,850,156	4 "
" 24...	20,525,655	10,279,053	13,809,996	32,756,459	15,026,118	4 "
July 1...	21,738,756	10,356,373	16,274,739	36,490,515	15,080,271	4 "
" 8...	22,038,478	5,593,834	18,595,718	34,647,336	14,824,969	4 "
" 15...	22,194,996	4,918,458	16,381,914	32,052,521	14,749,876	4 "
" 22...	22,230,612	5,886,948	14,675,625	30,975,774	14,620,872	4 "
Aug. 5...	22,340,309	5,577,268	13,790,855	30,239,227	14,848,185	4 "
" 12...	21,937,198	5,754,863	13,578,358	29,657,338	15,040,819	4 "
" 19...	22,003,176	6,126,668	13,005,322	29,503,127	15,081,152	4 "
" 26...	21,699,696	6,713,301	12,806,568	29,322,757	15,309,384	4 "
Sept. 2...	21,920,722	6,818,182	13,261,512	30,180,384	15,494,219	4 "
" 9...	21,646,311	6,997,402	12,909,484	29,919,543	15,345,488	4 "
" 16...	21,487,105	7,371,510	13,484,939	30,601,940	15,461,566	4 "
" 23...	21,515,731	8,291,491	12,859,580	30,960,809	15,532,838	4 "
" 30...	22,312,747	9,270,486	13,717,460	33,751,408	15,277,885	4 "
Oct. 7...	22,545,407	9,510,057	12,893,642	33,329,764	14,856,037	4 "
" 14...	22,860,695	4,616,052	16,352,818	32,382,508	14,570,611	4 "
" 21...	22,824,466	4,437,835	15,271,262	31,028,819	14,645,269	4 "
" 28...	22,600,408	4,462,168	15,015,128	30,785,852	14,437,574	4 "
Nov. 4...	22,733,018	5,066,318	13,861,173	31,055,887	13,799,428	6 "

UNITED STATES BANKS.—We see that the National Bank movement has extended to the Crescent City. The First National Bank of New Orleans is now in process of organization. The contemplated amount of capital is placed at \$500,000, of which about \$200,000 is said to have been subscribed. This being the first bank in the Southwest under the act of Congress of February, 1863, will of course receive the Government business, which, under the large and increasing disbursements in New Orleans, ought to be of advantage to the bank and stockholders.

There has been great delay in furnishing the banks with the new Government currency, and consequently many complaints have been made. Promises have been frequently given that it should be ready in a few days, but thus far they have not been kept. In this connection, the following extract of a letter from the Controller of the Currency to the President of the First National Bank of New York, will be of interest:

WASHINGTON, November 13, 1863.

I have been a good deal troubled about the delays that have occurred in the preparation of the National Currency, but I am now quite hopeful that those delays are about over, and that we shall be ready to commence the delivery of notes to the banks by the 1st proximo.

Yours truly,

H. McCULLOCH, Controller.

The books of subscription to the capital stock of the Five million National Bank.

tional Bank of this city were opened on the 23d of November, at the office of the United States Trust Company. The capital of this bank, it will be remembered, is to be \$5,000,000, with power to increase to \$50,000,000. In our last number, we published the call for the meeting, at which the proposed institution had its inception, and also briefly stated the proceedings of those present. The next step toward organization is now being taken, and, judging from present appearances, the bank will soon be under way.

Thus our country moves on in the new course marked out for us, financially. We pray that it may be a safe one. And yet we can but tremble at the thought of a fifty million bank, and that bank only the head of perhaps fifty million others spread over the country. It is true, these corporations promise fair at present, and if in the future they continue to be guided by the present intentions of their instigators, their existence may not be regretted; but if in after time these corporations come within the grasp of designing men, who would not scruple to wield their immense power for the furtherance of their own ambitious ends, or if they should degenerate into speculating machines, like the old United States Bank, while in the hands of NICHOLAS BIDDLE, or, worse still, if they become the creatures of some future administration, selfish and corrupt, can we appreciate, even, the evils that await us from this one cause?

We learn from the Philadelphia *Commercial List & Price Current*, that the First National Bank of Philadelphia, on November 17th, increased its capital stock from \$150,000 to \$500,000, and purposes, at an early date, as soon as the business of the bank requires it, to make a further increase to \$1,000,000. O. W. DAVIS, who resigned the position of President, in order to devote his entire time to the duties of his profession, still retains the position of director. C. H. CLARK, of the house of E. W. CLARK & Co., bankers, has been elected in his stead. The following are the directors of the Bank as now organized: C. H. CLARK, JAY COOKE, S. A. CALDWELL, J. B. MOOREHEAD, W. S. RUSSELL, E. W. CLARK, O. W. DAVIS. The bank is understood to be mostly owned by the two well-known banking firms in that city, E. W. CLARK & Co., and JAY COOKE & Co.

CONDITION OF THE BANKS OF NEW YORK STATE.—The following shows the aggregate of the resources and liabilities of the banks of the State of New York as exhibited by their reports to the Superintendent of their condition on the mornings of September 26, 1863 and June 13, 1863:

	LIABILITIES.	
	Sept. 26, 1863.	June 13, 1863.
Capital.....	\$109,258,147	\$108,499,653
Circulation.....	33,423,230	32,261,462
Profits.....	17,119,176	19,408,336
Due banks.....	48,605,902	49,193,323
Due individuals and corporations other than banks and depositors.....	2,745,869	2,079,981
Due treasurer of the State of New York.....	4,889,248	4,707,306
Due depositors on demand.....	233,611,282	218,717,726
Amount due not included under either the above heads.....	25,971,848	2,496,394
Add for cents.....	525	505
Total.....	\$475,125,227	\$436,419,085

RESOURCES.

Loans and discounts.....	\$208,462,460	\$183,647,488
Overdrafts.....	568,495	463,785
Due from banks.....	21,949,185	22,404,378
Due from directors.....	\$6,572,010	\$6,198,572
Due from brokers.....	14,722,542	6,811,600
Real estate.....	8,865,541	11,300 and 8,972,998
Specie.....	81,071,759	40,250,809
Cash items.....	53,253,438	43,482,170
Stocks, promissory and U. S. 7 3-10 notes and indebtedness certificates.....	120,856,200	109,491,478
Bonds and mortgages.....	5,579,543	\$86,000 and 5,781,618
Bills of solvent banks and U. S. demand notes.....	28,746,183	15,790,539
Bills of suspended banks.....	\$78 and 229	\$65 and 245
Loss and expense account.....	771,248	1,191,229
Add for cents.....	948	918
Total.....	\$475,125,227	\$436,419,685

In September three hundred and nine banks were in operation and reported, including the Pulaski Bank, which is voluntarily winding up its affairs.

The Bank of Canton, Lake Bank, Henry D. Barto & Co.'s Bank, and O. Paddock & Co.'s Bank, made their first reports.

The Perrin Bank, Rochester, is voluntarily winding up, and did not report.

The Hope Bank, of Albany, commenced operations since last report, but not in time to be included in the September report.

To show the remarkable changes in the returns during the war, we give the movements since September, 1861, in the four principal items of the quarterly report:

Date	Circulation.	Deposits.	Specie.	Discounts.
September, 1861....	\$28,016,743	\$111,895,016	\$38,089,727	\$176,055,848
March, 1862....	28,330,973	121,988,259	34,301,092	162,017,987
June, 1862....	33,727,382	150,438,244	32,882,693	184,501,261
September, 1862....	37,557,378	186,390,795	39,283,931	165,584,063
December, 1862....	39,182,819	191,537,897	37,803,047	178,922,536
March, 1863....	35,506,606	221,544,347	36,802,438	183,864,089
June, 1863....	32,261,462	218,717,725	40,250,809	183,617,438
September, 1863....	33,423,230	233,611,282	31,071,759	203,462,460

DIVIDENDS OF THE PHILADELPHIA BANKS.—The Philadelphia banks, with the exception of the Bank of North America, (which makes it dividends in January and July,) declared their semi-annual dividend the first of the month, and the *Commercial List and Price Current* of Philadelphia gives the following statement of these November dividends, compared with those of May last:

Banks.	Capital stock.	When declared.		Amount of dividend.
Philadelphia	\$1,800,000	May 5	Nov. 5	\$90,000
Farmers and Mechanics	2,000,000	" 4	" 5	100,000
Commercial.....	1,000,000	" 4	" 5	50,000
Mechanics'.....	800,000	" 5	" 6	48,000
Northern Liberties.....	500,000	" 7	" 7	35,000
Southwark.....	250,000	" 7	" 8	20,000
Kensington.....	250,000	" 5	" 10	25,000
Penn Township.....	350,000	" 6	" 6	21,000
Western.....	418,600	" 5	" 5	21,900

Banks.	Capital stock.	When declared.		Amount of dividend.
		May	Nov.	
Manufacturers and Mechanics.	570,150	5	6	34,200
Commerce	250,000	" 5	" 5	12,500
Girard.....	1,000,000	" 4	" 5	50,000
Tradesmen's.....	150,000	" 5	" 5	7,500
Consolidation.....	267,560	" 5	" 5	13,378
City.....	433,850	" 4	" 4	17,354
Commonwealth	286,425	" 4	" 4	11,473
Corn Exchange.....	300,000	" 5	" 5	15,000
Union.....	208,320	" 5	" 5	10,411
First National	150,000	Not 6 months in operation.		
Total.....	\$11,985,380			\$581,725

The dividends for the November semi-annual period have been generally increased, and all are payable clear of tax. The amount of dividends is \$581,725, against \$512,438 at the semi-annual period in May, being an increase of \$59,287.

REAL AND PERSONAL ESTATE, AND SEPTENNIAL ASSESSMENT, OF PHILADELPHIA.—The Philadelphia *Commercial List* also publishes the following statement of the value of the real and personal property of Philadelphia which has just been returned by the assessors, for the year 1864 :

REAL AND PERSONAL ESTATE.

Wards.	Real estate.	Furniture.	Horses, etc.	Carriages.	Personal.
1.....	\$5,726,239	\$600	\$16,085	\$825	\$7,286
2.....	3,329,925	...	5,855	2,060	5,469
3.....	2,555,802	400	1,260	30	3,152
4.....	2,986,594	1,600	1,000	450	3,610
5.....	12,805,665	97,700	9,480	9,240	3,071
6.....	20,504,920	32,250	3,070	1,720	2,901
7.....	7,525,686	354,750	10,835	8,375	4,257
8.....	13,060,303	684,700	49,465	31,800	3,619
9.....	11,159,375	242,450	29,775	18,150	3,588
10.....	8,149,888	195,660	26,490	21,610	4,340
11.....	4,599,270	2,800	9,930	1,070	3,440
12.....	4,092,836	80,600	10,955	7,030	2,234
13.....	5,343,425	116,190	4,100	3,115	3,630
14.....	5,187,460	29,500	5,185	2,355	4,261
15.....	7,583,849	29,800	25,395	2,900	5,923
16.....	3,092,325	4,400	4,370	1,120	4,199
17.....	2,041,311	.....	6,950	1,320	4,372
18.....	2,794,031	200	9,640	1,650	4,613
19.....	4,099,600	.....	15,210	210	6,506
20.....	6,795,809	57,600	35,930	6,120	7,023
21.....	3,232,978	13,900	27,875	3,055	3,157
22.....	4,901,594	69,425	70,875	23,375	4,166
23.....	3,471,252	14,700	56,310	10,430	3,662
24.....	5,569,237	25,420	79,926	7,078	4,530
25.....	3,058,994	5,150	13,940	2,100	2,305
	\$152,668,368	\$2,059,795	\$529,896	\$167,273	\$106,314

The above valuation is exclusive of property exempt by law. The assessed value of property returned as rural amounts to about \$18,000,000.

The returns of the taxable inhabitants of Philadelphia has also been made by the assessors, under the direction of the City Commissioner, in accordance with the act of 1821. The following are the complete returns to be sent to Harrisburg for the purpose of fixing the number of representatives for 1864 :

Wards.	Males.	Females.	Blind.	Deaf and Dumb.	Whites.	Colored.	Total Taxables.
1.....	7,384	334	2	2	7,619	99	7,718
2.....	5,573	504	10	6	6,049	28	6,077
3.....	3,039	152	1	1	3,177	14	3,191
4.....	3,012	19	1	0	3,030	1	3,031
5.....	2,088	186	1	0	3,158	16	3,174
6.....	2,692	111	3	2	2,803	0	2,803
7.....	4,978	418	2	3	5,306	90	5,396
8.....	4,007	723	6	0	4,655	75	4,730
9.....	4,025	1,158	5	1	5,143	40	5,183
10.....	4,319	282	2	1	4,596	5	4,601
11.....	3,301	52	2	3	3,352	1	3,353
12.....	3,307	164	0	3	3,466	5	3,471
13.....	3,807	559	3	0	4,366	0	4,366
14.....	4,502	198	1	7	4,696	4	4,700
15.....	7,151	555	20	3	7,703	3	7,706
16.....	4,706	293	3	4	4,998	1	4,999
17.....	4,769	54	4	1	4,822	1	4,823
18.....	4,608	132	5	3	4,740	0	4,740
19.....	6,807	474	5	4	7,270	11	7,281
20.....	7,218	522	8	3	7,732	9	7,741
21.....	3,578	299	4	0	3,875	2	3,877
22.....	4,286	249	3	0	4,524	11	4,535
23.....	3,906	344	11	4	4,191	59	4,250
24.....	5,055	215	4	1	5,234	36	5,270
25.....	2,159	98	1	0	2,248	9	2,257
	111,117	8,096	107	52	118,753	520	119,273

The return of blind and deaf and dumb in the various institutions in that city, not included in the above, is as follows : In the Blind Asylum, there are 86 males and 75 females ; in the Deaf and Dumb Asylum, 97 males and 88 females ; at the Almshouse, there are 45 blind and 5 deaf and dumb.

STATISTICS OF TRADE AND COMMERCE.

FOREIGN WOOL TRADE OF NEW YORK.

THE *Journal of Commerce* publishes the following statement of the imports of foreign wool at New York for the first six months of the current year, and also for the same time in 1862. The comparison shows the imports of the first half of this year to be more than those of the same time in 1862 by 27,094 bales, 11,509,348 pounds, and \$2,081,056 in value. At this time last year nearly all the new clip of domestic wool had been bought of the growers at 35 @ 45 cents, the latter figures being the price at that date, and foreign wools were held at prices which made them dearer than domestic. But at this date the facts are reversed. The new clip is nearly all held by the grower at 65 @ 75 cents, and the stock of foreign is offered at rates which make it cheaper to the manufacturer. And as there are few woollen fabrics which cannot be manufactured from foreign stock, but little domestic will be taken while the present prices remain. The stock of foreign wool in this market at the present time is considerably larger than that of this date a year ago, and it is estimated that the domestic clip of this year is fully twenty-five per cent larger than that of 1862 :

IMPORTS OF FOREIGN WOOL AT NEW YORK DURING THE FIRST SIX MONTHS OF 1862,
AND FOR THE SAME TIME IN 1862.

From whence.	1862.			1862.		
	No. of bales.	Weight of pounds.	Entered value.	No. of bales.	Weight of pounds.	Entered value.
England	15,388	5,734,308	\$1,041,135	18,902	7,065,474	\$1,292,899
Buenos Ayres.....	4,967	4,384,295	617,298	9,421	8,196,049	1,192,162
France.....	8,208	3,203,806	451,636	15,152	4,418,399	768,033
Africa	1,679	586,861	121,497	5,933	2,449,363	458,183
Turkey	54	19,285	3,228	2,155	941,319	157,670
British pos. in Africa.	....	.....	.....	1,817	778,034	150,730
Chili .....	....	.....	.....	3,160	757,445	143,643
Belgium.....	2,561	974,542	151,908	1,081	846,714	140,446
Russia .....	....	.....	.....	1,891	790,198	116,261
Mexico	12	2,225	364	1,726	569,148	74,302
Brazil.....	459	306,790	46,654	578	464,813	64,268
Spain.....	419	127,313	14,988	749	222,274	35,817
Portugal.....	207	55,677	4,471	723	133,386	22,219
Bremen	242	111,400	18,236	238	86,340	21,487
Hamburg	293	84,495	14,979	125	67,099	10,292
Tuscany	568	224,228	26,733	161	59,785	9,520
Cisplatine Republic..	....	.....	.....	72	49,659	7,759
New Grenada.....	621	163,866	17,946	140	26,911	4,855
Dutch West Indies..	10	3,300	319	48	20,231	2,725
British East Indies..	....	.....	.....	46	14,746	2,677
China.....	....	.....	.....	39	20,844	2,287
Sardinia	561	202,200	26,841	55	15,740	2,033
Gibraltar.....	332	80,738	13,304	29	8,281	1,059
Malta.....	....	.....	.....	6	2,772	666
Cuba.....	155	92,564	9,634	3	460	46
Central America....	339	90,983	11,942	....	.....	....
British West India..	65	39,701	4,568	....	.....	....
Montevideo.....	12	8,211	1,093	....	.....	....
Bombay.....	1	348	49	....	.....	....
Total	37,153	16,496,136	\$2,600,823	64,247	28,005,484	\$481,879

THE IRON TRADE FOR THE YEAR 1862.

DURING the year 1862, prices in irons of all kinds were marked by a continually upward movement. This movement had none of the feverish excitement which characterized those of tin and copper. It slowly followed, indeed, the advance in gold, but it derived its chief impetus from the progress of the demand, arising from government consumption, and from the general revival of trade. It was, therefore, for the times, healthily and steadily moved forward through the season, unchecked by the temporary events or contingencies of the year. The restrictions to exportations hither, on English account, induced by the uncertainty of American politics, and the fluctuations of gold and exchange, tended greatly to the benefit of the American iron master, and gave him a fair start for that race of competition with England which must ensue in future years. These circumstances yielded to him a control of the home markets at a time of immense demand, and at prices the most liberally profitable. They secured to him an accumulation of capital to fall back upon in less prosperous times.

The trade of the year was done mostly for cash; credit, indeed, was seldom asked for. During the summer months, the Pennsylvania trade, at a meeting, resolved thereafter to shorten the time on cash bills to ten days, and on time bills to four months, from date of invoices. This was followed by similar action on the part of the trade here, except in Scotch pig irons, where, by the action of the leading house in the trade, the effort was made unavailing. Scotch pig irons are, therefore, sold at six months, or for cash.

The high prices of the past year have stimulated to the utmost the production of all kinds of iron. Old furnaces, rolling-mills and forges are put, or being put, into a condition for the most active operation; new ones are projected in various parts of the country, and many are near completion. The home supplies of iron will, in the course of a year or so, equal any demand. With the competition of English irons they may largely exceed the demand. That competition cannot, with our present tariff, be shut out, nor is it likely or desirable that any alteration in the latter will be made. The American iron master must, therefore, look, to insure his success, to the quality, uniformity, and evenness of size and gauge of his iron, and, above all, to their being carefully examined before being put in the market.

Pig Irons.—At the close of the year 1861, the surplus stocks of foundry, and, to a considerable extent, those of forge pig irons, were in speculators' hands.

The year 1862 opened with prices of No. 1, extra foundry, at \$20 cash, forge at \$18 to \$20 cash, and Scotch pig irons at \$22 cash, with little disposition on the part of consumers or of the trade to buy at these figures, beyond their more immediate wants. Indeed, many were convinced of a gradual decline in prices to the lowest points of the previous year; and this, notwithstanding the increasing demand, the absence of foreign competition, and the probable inflation of the currency. These views somewhat curtailed the spring demand for pig irons in the East, and buyers, for the most part, bought only for the present. In the West, however, contracts were made more freely.

In June, a destructive freshet occurred in Pennsylvania; it deranged the freighting rail-roads and canals to an extent so great that some months elapsed before some of them resumed their business. Some of the furnaces on the Lehigh were also badly damaged. In consequence of this accident, and of the really small stocks of pig iron, prices advanced \$4 per ton; that is, to \$24 for No. 1 extra. In July, August, and September, the labor question became one of great difficulty. Miners of iron ores and coal, attracted by the adventures of the war, or stimulated by patriotic feelings, freely enlisted; and the scarcity of all kinds of workmen soon became apparent, not only to the employer, but also to the employed. Strikers for higher pay and for new regulations commenced, in which the strikers were generally successful in gaining their ends. These troubles recurred with great frequency. Efforts were made to secure the immigration hither of European labor, which were only partially successful, notwithstanding the vast inducements of a most solid and enduring character offered the miner and the artisan in the United States; inducements that, to the sober, industrious and intelligent immigrant, result always in competence and a vastly better social condition than in his own country.

Bar Irons, in the early part of January, were current at \$42 cash, for common, and \$52 for refined, with moderate stocks of English and a small supply of American bars. These low prices, and the really promising condition of business, failed to attract the attention of the trade till late in February and early in March. At the close of the latter month, they had advanced to \$50 and \$59 for common and refined. From that time till the close of July they were steadily held, without much fluctuation; then an advance to \$58 and \$68 occurred. In October, prices reached \$67 and \$77 cash, at which they were steady till the close of the year. The supplies of American bar and rail-road irons will be greatly enhanced during the next few years. Like that of pig irons, the production has been stimulated by high prices, and mills have been started in various parts of Pennsylvania, and in New York and New Jersey. Their make, when the rolls are all in motion, will, with the older mills, be nearly adequate to supply the whole demand of our Eastern markets. The cheapness of producers' costs—because of proper location, contiguous to coal and ore beds, and the markets of New York and the Eastern and Western cities—may enable them to compete successfully with the English irons, and perhaps, indeed, to a large extent, drive them out of our markets.

Charcoal Irons, in January, opened at \$25 to \$35. Influenced by the same causes as acted on other irons, prices advanced gradually, and in December closed with inadequate supplies, and prices ranging from \$35 to \$65 per ton.

Bloom Irons.—Northern and Lake' Champlain blooms are the merchantable blooms of the market. In January, holders were at \$35 cash, per ton, with few buyers. Later in the season, the plate mills filled with orders from government, and general trade came into the market largely for blooms, the prices of which rapidly advanced to \$70 and \$75, with transactions at these prices.

IMPORTS INTO NEW YORK FROM JANUARY 1ST, TO DECEMBER 31ST.

	1860.	1861.	1862.
Pig iron..... tons	43,043	31,457	13,403
Bar iron and rails.....	42,117	16,651	24,003
Bundle iron, as hoop, sheet, band and small bar iron..... bundles	902,188	255,606	437,540
Plates (tinned and leaded),.... boxes	589,263	257,390	489,014

PRICES AT THE COMMENCEMENT OF EACH MONTH OF THE YEAR 1862.

	Rate of gold.	Scotch pig iron. Per ton.	American No. 1 ex. pig iron. Per ton.	Common bar iron. Per ton.	Best bar iron. Per ton.
January.....	102	\$22 00	\$20 00	\$42 00	\$52 00
February.....	103 $\frac{1}{2}$	22 00	20 00	45 00	54 00
March.....	101 $\frac{1}{2}$	22 00	21 00	50 00	59 00
April.....	101 $\frac{1}{2}$	23 00	20 50	50 00	59 00
May.....	102 $\frac{1}{2}$	23 00	20 50	50 00	59 00
June.....	103 $\frac{1}{2}$	23 00	20 00	50 00	60 00
July.....	110	24 00	23 50	50 00	60 00
August.....	114 $\frac{1}{2}$	26 00	24 00	59 00	68 00
September.....	116 $\frac{1}{2}$	26 00	24 00	58 00	67 00
October.....	122 $\frac{1}{2}$	31 00	30 00	67 00	77 00
November.....	131 $\frac{1}{2}$	32 00	31 00	67 00	77 00
December.....	132	33 00	32 00	67 00	77 00

AVERAGE YEARLY PRICE OF FOUNDRY PIG IRONS IN NEW YORK, DURING THE EIGHTEEN YEARS, ENDING WITH 1862.

	Per ton.		Per ton.		Per ton
1845.....	\$34 25	1851.....	\$19 25	1857.....	\$29 00
1846.....	33 50	1852.....	23 75	1858.....	23 00
1847.....	30 25	1853.....	22 00	1859.....	23 25
1848.....	23 25	1854.....	36 5	1860.....	21 50
1849.....	21 00	1855.....	29 25	1861.....	18 96
1850.....	19 50	1856.....	29 50	1862.....	23 87

In 1861, the lowest price of No. 1 was \$16 per ton. In 1862, the lowest price was \$20; the highest, \$32.

TRADE OF CALIFORNIA.

The circular of J. T. COLEMAN & Co., received by the *Northern Light*, contains a summary of the trade of San Francisco for the six months ending June 30, 1863. The exports, as compared with the corresponding months of previous years, were as follows:

To	1861.	1862.	1863.
New York and Boston.	\$939,521 70	\$1,450,820 99	\$1,548,698 01
England.....	4,658,295 33	377,967 99	719,697 15
Mexico.....	576,388 55	371,795 94	1,034,742 06
Peru.....	38,718 80	141,115 87	99,663 29
Sandwich Islands.....	103,588 02	130,806 42	166,444 49
China.....	295,024 60	304,730 60	646,935 64
Australia.....	253,462 40	93,696 18	181,988 58

To	1861.	1862.	1863.
Victoria	557,810 49	1,172,447 87	931,064 30
Japan	5,486 50	4,578 00	18,621 16
Other countries	490,455 62	494,768 61	834,608 84
Total	\$4,947,956 71	\$4,542,728 61	\$6,183,454 52

Of these exports our breadstuffs form a leading item, amounting to about one-fourth the entire sum.

The exports of merchandise and treasure compared were:

Merchandise exports..	\$4,947,957	\$4,542,728	\$6,184,454 52
Treasure " ...	18,566,143	16,832,618	22,757,681 00
Total	\$23,514,100	\$21,375,344	\$28,941,135 52

A very important change in the drift of our treasure exports has been in progress this year, occasioned chiefly by our currency derangements in the Atlantic States, but in part by the danger apprehended under our own flag from rebel privateers. This change is exhibited in the following statement:

DESTINATION OF TREASURE EXPORTED FROM SAN FRANCISCO DURING THE FIRST HALF OF THE YEARS

	1860.	1861.	1862.	1863.
New York	\$17,071,387	\$15,916,290	\$11,290,851	\$15,650,976
England	1,280,404	1,103,948	4,216,841	15,008,427
China	2,213,241	1,343,247	1,007,272	1,603,659
Panama	163,533	187,514	232,007	305,380
Other countries...	257,480	15,144	85,645	190,083
Total	\$21,886,045	\$18,566,143	\$16,832,616	\$22,757,680

The large diversion from New York to England is the point of special interest.

The receipts of treasure from various sources during the six months were:

From California and Nevada	\$22,425,506
From Coastwise ports North and South	1,716,664
From foreign countries, including amount received from the wreck of the Golden Gate	1,500,848
Total receipts	\$25,648,018

The following figures serve to show the extent of the interior currency movement during the first half of the last three years:

	1861.	1862.	1863.
Coin remitted to interior....	\$6,665,451	\$5,775,983	\$9,012,610
Coin received from interior..	2,749,236	2,230,427	3,101,396
Balance added to interior circulation in first half of each of those years	\$3,324,215	\$3,545,556	\$2,918,214

STATISTICS OF AGRICULTURE.

LOUISVILLE ANNUAL TOBACCO STATEMENT—CROPS IN KENTUCKY AND MISSOURI FOR 1863.

LOUISVILLE, KY.—A late number of the *Louisville Journal* has in it a review of the tobacco business at Louisville for the season 1862–63, which closed October 31st. The sales of the past season amounted to thirty-six thousand seven hundred and twelve hogsheads, distributed among the different warehouses as follows:

Pickett warehouse.....	hhds.	16,073
Boone warehouse.....		8,766
Ninth-street warehouse.....		7,683
Louisville warehouse, (in eight months).....		4,190

Total number hogsheads sold.....	36,712
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The receipts of the past year were as follows:

Pickett warehouse.....	hhds.	16,448
Boone warehouse.....		8,966
Ninth-street warehouse.....		7,858
Louisville warehouse.....		4,390

Total hogsheads received.....	37,662
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Deducting the sales from the receipts gives nine hundred and fifty hogsheads as the amount now in warehouse unsold, distributed as follows:

Pickett warehouse.....	hhds.	375
Boone warehouse.....		200
Ninth-street warehouse.....		175
Louisville warehouse.....		200

Total.....	950
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As compared with the receipts and sales for the season of 1861–62, the excess for 1862–63 is eight thousand seven hundred and fifty-four hogsheads, as follows:

	1861–62.	1862–63.
Hogsheads received.....	28,908	37,662
Hogsheads sold.....	28,270	36,712

The amount of the sales of the season of 1861–62 was distributed as follows: Pickett warehouse, 14,360 hhds.; Ninth-street warehouse, 7,862 hhds.; Boone warehouse, 6,685 hhds.

During the season just closed, prices have ruled unprecedentedly high, and the planters have realized more money for their crops than in any previous season for ten years. Quotations have ranged about as follows:

Lugs....	\$10 00 @ \$13 00	Good....	\$20 00 @ \$30 00
Medium..	14 00 @ 18 00	Fine....	30 00 @ 36 00

The crop of last year was a very heavy one, but that of the present year, classing in all the grades, will be much larger. There will, however, be a decided falling off in the amount of strictly fine tobacco, a great deal of the

crop in the counties of Eastern and Central Kentucky, being badly injured by frost. In the Southern and Southwestern portions of the State, as we learn from reliable authority, the damage by frost was not as serious, and the product will be a full average as compared with last year's crop. In the counties of Christian, Todd, Trigg, Caldwell, Lyon, Logan, Muhlenburg, Marshall, Graves, and Calloway, and in the tobacco-growing counties of Tennessee, the frost did but slight damage, and the crop will be heavy.

The increase in the tobacco trade of Louisville during the past three years has been truly wonderful. From statistics in our possession, we learn that the sales in this city for the season of 1862-63 were but fifteen hundred hogsheads less than the total sale at either Liverpool or London, the great importing cities of the world in this staple. To-day Louisville ranks as the chief tobacco market of the United States, and her next annual tobacco statement will show that she is entitled to rank as the principal tobacco-shipping and selling market of the world. This vast business has been established and is being increased by the enterprise and energy of her dealers—the warehousemen and manufacturers.

In manufactured tobacco, this city also ranks as one of the principal manufacturing points in the Union. The manufacturing business has been fully doubled in the past twelve months, and the brands turned out here rank among the very best in the country. The coming year will witness large accessions not only to the manufacturing, but to the shipping and sales of Louisville in the great staple which has superseded King Cotton as the chief foreign marketable product of the country.

MISSOURI.—A correspondent of the *Missouri Republican*, under date of November 12th, in speaking of the tobacco crop in that region, says:

"Much inquiry and observation have convinced the writer, that the damage by frost is partial and not general, and confined almost entirely to districts of country north of the usual tobacco-growing region; for it must be borne in mind, that high prices for the last two years have stimulated the production of tobacco some three hundred miles north of the usual tobacco region before the war. The Great West has never cultivated tobacco as an export staple north of the Ohio river, except in Missouri. We now find tobacco extensively cultivated in Iowa, Illinois, Indiana, Ohio, and partially in all of the Northwest, embracing an area of country twice as large as the old region which embraced Missouri, Kentucky, the southern portion of Tennessee, Virginia, North Carolina, and Maryland.

"Future statistics will show that the Missouri crop of 1863 is decidedly the largest that the State has ever grown, and though much of it is in the hands of new beginners, and will prove of low quality, for want of full maturity, still the large bulk of the Missouri leaf is of fair quality and has been housed in good time and condition, and comparatively not injured by frost."

TO THE GROWERS AND MANUFACTURERS OF FLAX AND HEMP.

The following notice has been issued in circular form and widely circulated by the Agricultural Department of Washington, addressed to the growers and manufacturers of flax and hemp:

DEPARTMENT OF AGRICULTURE, }
WASHINGTON, D. C., Sept. 5, 1863. }

Congress having, at its last session, placed in the hands of the Commis-

sioner of Agriculture an appropriation of \$20,000 "for investigations to test the practicability of cultivating and preparing flax and hemp, as a substitute for cotton," the Commissioner, after consultation with members of Congress and manufacturers, determined to place the whole matter in the hands of three commissioners, and accordingly appointed Hon. J. K. MOREHEAD, of Pittsburg, Pa., JOHN A. WARDER, of Cincinnati, Ohio, and WM. M. BAILEY, of Providence, R. I. The commissioners met at the Department on Thursday, Sep. 3, 1863, chose Hon. J. K. MOREHEAD chairman, appointed O. A. STAFFORD, of the Department, their clerk, and passed the following resolution :

Resolved, That the Commissioner of Agriculture be requested to call upon manufacturers and experimenters to send to this Department, on or before the 20th day of November, samples of the fibers and fabrics prepared by them, to be accompanied, in all cases, by precise statements as to the various processes, and with estimates as to the probable expense per pound of the preparation of the material, and of the proportion of fiber that may be produced from a given quantity of the stalks or straw of flax and hemp.

All packages of specimens or samples, and all letters on this subject, should be addressed to the Commissioner of Agriculture, with the indorsement "For Commissioners of Flax Culture."

ISAAC NEWTON, *Commissioner*.

FALL CROPS OF 1863.

In the monthly report of the Department of Agriculture for September and October, the amount of the crops of 1863 were given.

ESTIMATES FOR SEPTEMBER.

Corn.	Buckwheat.	Potatoes.	Tobacco.
449,163,894	17,193,232	97,870,035	255,462,413

ESTIMATES FOR OCTOBER.

Corn.	Buckwheat.	Potatoes.	Tobacco.
452,446,128	15,821,305	101,457,144	267,302,770

These estimates exhibit a remarkably close approximation, and speak well for the system adopted by the department to ascertain the amounts, annually, of the leading commercial crops.

The amount of the crops of 1862 are as follows :

Corn.	Buckwheat.	Potatoes.	Tobacco.
586,704,474	18,722,998	114,533,118	208,807,078

The five principal States of the West for the production of sorghum molasses, are Missouri, Iowa, Illinois, Indiana, and Ohio. Their estimated production last year was 10,293,728 gallons; this year only 6,970,882 gallons—a decrease of nearly three and a-quarter millions of gallons. The amount of ground planted was much greater than in 1862, but the frost destroyed the yield.

The wheat, rye, and barley crops just sown are full average crops, both in amount and appearance. The fall weather has been highly favorable to them, and the correspondents of the Department speak most encouragingly.

The number of hogs in the great feeding States of Ohio, Michigan, Indiana, and Illinois, is one-fifth less than last year, causing a reduction in the number fattened in these States of 806,139. Their condition in these States is still lower.

JOURNAL OF MINING, MANUFACTURES, AND ART.

CALIFORNIA DISCOVERIES OF GOLD, SILVER, AND COPPER.

FROM California, in the first half of this year, 4,000 tons of copper ore were shipped from San Francisco, most of it going to the smelting works at Boston; and for the entire year the shipments will probably be ten thousand tons. Hereafter, much will go to the smelting works near New York. The ore averaged about twenty per cent. Prospects are considered very hopeful. The *Alta California* says:

"There is reason to hope that California will, at no distant day, be the first copper-producing country of the world. Cupriferous ore has been found in nearly every county, and rich lodes have been opened at both ends of the State and in its centre. The value of the copper mine and the character of the ore and vein can only be ascertained by examination at a considerable distance below the surface; and the prospectors have not had either the time or the money to make such examinations of most of the lodes. It is well known that a large proportion of the deposits of copper are not true veins, and that only a small share of the true veins will pay. It would not, therefore, be strange if nine out of ten, perhaps ninety-nine out of a hundred, of the copper veins in the State would prove worthless; but the remainder will do wonders."

The San Francisco *Mercantile Gazette*, in speaking generally of the mining interests, says that "in gold, silver, and copper, the discovery of new mines, and 'rich strikes' in old ones, form the staple news of the interior press. The metallic veins seem to be scattered everywhere—almost every part of the State and coast showing indications of mineral products; though a large portion have, thus far, proved unremunerative. The most striking feature in this department, during the quarter of the year just closed, has been the extraordinary discoveries in the Reese River District of Nevada Territory. The great number and richness of the lodes of silver ore; the peculiar character of that ore; its chemical combinations and great docility, are themes of universal remark, and have created quite a furore of emigration to the favored locality, which is already becoming populous. Large and busy towns are rising as by magic in its rugged canons, and the noise of mills and steam-engines reverberates among its mountains. We cannot believe all that we hear from that region, but enough is authenticated to satisfy us of its great wealth.

"An important movement also has been going on during the past three months in the direction of the Colorado. Reported rich discoveries in Arizona Territory have attracted much attention. We are told of placer diggings, where chunks of gold are picked from the crevices of the rocks and the dry arroyos of the desert. Many of these stories are doubtless fabulous; but we have seen rich ores from that region, and are assured by reliable men that they exist in abundance, and that capital and labor only are wanted to give Arizona a very high position among the gold and silver producing countries. If we mistake not, however, a very serious, if not insurmountable, obstacle to the prosperity of that Territory is the want of water. It is arid in the extreme, and possesses few attractions as a dwelling place for civilization."

The explorations of Mr. AUBRY in Arizona (a gentleman who was early identified with the history of California and New Mexico), and the recent official report of Gen. CLARK, have served to establish several important facts and conclusions, the most notable of which is, that near the line of the 34th parallel of North latitude and West of the 110th degree of longitude are gold fields of great value, and that within a few years they will be adding millions annually to the general wealth of the country. The *Santa Fe Gazette* is much elated with the mining prospects of this region, now that there is less danger from the excursions of hostile Indians, yet, to guard against too sanguine anticipations, says :

"Doubtless the reports which will go out in reference to the productiveness of these mines will induce many to try their fortunes among them. Indeed, at the last accounts we had from there, there were already about fifteen hundred persons at the mines, and more going. But it should be remembered that all who have any desire to emigrate thither that it is one of the most inhospitable regions of country, excepting the climate, that is to be found on the continent. It produces comparatively none of the necessaries of life. It cannot be made to support a large population. All supplies will have to be transported from New Mexico or California."

COPPER MINING PROSPECTS IN CANADA.

We observe says the *Montreal Commercial* of Nov. 3d, that no fewer than fifteen mining charters have been granted during the last session of Parliament, and chiefly for copper mines in the eastern townships ; and we know of many other highly promising mines, the proprietors of which have not yet applied for acts of incorporation, such as the South Ham Antimony Mine, the St. Francois Copper Mine, and several valuable locations in Broom and North Sutton. We have been favored by a friend who has recently visited this last-mentioned district with some particulars as to the prospects of copper mining there, and we are pleased to find that they are of a highly encouraging nature. Two American companies are now working vigorously on mines about three or four miles apart, and have sunk shafts to the depth of upwards of twelve fathoms, and at various points intermediate the North Sutton and Broom Mining Companies have instituted extensive exploring operations with results equally and even more encouraging. The copper here is, for the most part, disseminated in thick beds of slate, in such a manner as to leave no doubt of its having been formed and deposited simultaneously with the earthy matter of the slate.

The peculiar value and importance of this form of cupriferous deposits, occurring as they do here in sufficient proportion to constitute a workable ore, consists in the fact that, unlike most metallic veins, they can be depended on for regularity and persistence, both in depth and over great areas of country. In such circumstances copper mining is divested of much of the risk usually attendant upon it, as the results can be estimated with considerable certainty before hand. Notwithstanding the comparative poverty of the ore generally throughout the Sutton district, it has been proved capable of yielding a higher metallic value of produce in proportion to the quantity of rock mined than the average at the Acton mine, while for regularity and persistence of yield the advantage is altogether on the side of the former.

The distance from a railway or other port of shipment is undoubtedly a difficulty under which the mining adventurers in Sutton and Broom labor; but as an ample set-off against this disadvantage are to be reckoned the low rate for wages, the cheapness of provisions, both of which are in a great measure attributable to this circumstance. We understand that it is the intention of the North Sutton Company to erect smelting works in the neighborhood of these mines, for which purpose provision is made in their charter. By this means, and at a very trifling expense, the ores, which flux very easily, will be reduced to a regulus of a high percentage, and much of the cost of dressing and transportation to the market will be saved.

THE CHAUDIERE GOLD MINES.

The Quebec *Mercury* says that persons who have just returned from the Chaudiere Gold Mines state that the speculative fever continues to spread in that locality. It is stated that a systematic attempt is in progress to persuade all visitors that the mines are auriferous, with a view to the furtherance of speculative schemes; and that representations are made by interested parties which independent scrutiny show to be gross exaggeration. Those who have taken trouble to watch the operations of mining, and to collate facts as to the *bona fide* yield, appear to arrive at a conclusion for which the official report of Mr. JUDAH must have prepared the public mind. It is that, though gold is obtainable, the average productiveness is by no means large—certainly not sufficiently large to justify a wild rush to the mines, or the investment of heavy sums in the acquisition of mining privileges. The action of the Crown Lands Department is looked forward to with much interest, not unmixed with anxiety, as upon it to a large extent depends the healthy development of the Chaudiere District. The experience of Australia shows the necessity of extreme caution in the organization of any licensing system; whilst the testimony of the United States authorities is averse to the throwing open of gold-producing lands without exacting from them some substantial tribute to the State. The old tax in the form of royalty is susceptible of many objections, though perhaps the precious metals would form a reasonable exception to the rule against royalties, in cases where large tracts of land are bought in fee for speculative purposes. The public interest undoubtedly points to the discouragement of such sales, and the encouragement, by a liberal system of licenses, of a working population. So far as the most widely known portion of the Chaudiere region is concerned, we apprehend that the first point to be determined is the validity or the non-validity of the DE LERY patent, which we believe covers all, or nearly all, of the mines now worked. This disposed of, the duty of the Government will be to render available, by license, all adjacent auriferous lands yet possessed by the Crown, as well as lands which may have passed into private hands with the usual reservation of the rights of the Crown in respect to gold and silver.

LAKE SUPERIOR SILVER LEAD DISCOVERY.

The *Houghton Gazette* says that the excitement consequent upon the first report that silver lead had been discovered in the vicinage of Marquette has assumed the phase of reality. Specimens of the ore have been brought

in by ~~the~~ ~~Dr~~ ~~three~~ ~~persons~~ and ~~an~~ ~~analysis~~ made which proves beyond doubt that they are unusually rich in silver. The lowest return from the assays was an average of about eight pounds of silver to the ton of lead. The highest was twenty-five pounds. These are extraordinary yields, and the only question remaining to be solved is, whether the veins containing the ore are of sufficient size to warrant mining. Both of the gentlemen who made the explorations and obtained the specimens, aver that the veins are of greater width and length than is necessary for remunerative mining; in fact, they give a width which would be double that often found and opened to a profit. The location of these deposits is around a small lake in the Northwest quarter of Town 49 Range 28 West. The formation is granite, and has long been considered metalliferous. The veins are either fissure or gash, though most probably the former, as the explorers state that they have traced them for a considerable distance, and find they have a regular course between North and East.

There are now four companies organized on the land entered in the vicinity of the lake, now called Silver Lake, two of which are organized under the laws of the State. As to the value of these lands, but little is really known beyond the fact that the Eldorado was located by Mr. MARTIN, the explorer, and a large share of the stock is held by him, and his friends, which is presumptive evidence that it is the best he has seen. The silver lead was also entered by Mr. SMITH, the explorer, who is largely interested in it. The Silver Lake embraces eight or ten quarter sections scattered around the lake, and when the country is explored, can hardly fail to be equally rich with the rest. Some fine specimens have been brought in from these lands.

SILVER MINING IN MEXICO.

We quote from the *Alta California*, the notice below as an evidence of the faith in Mexican mines, held by San Francisco capitalists. The mines owned by the Refugio Company are said, upon abundant evidence, to be very rich and easily worked. A large amount has been expended for machinery, now on its way by the Mexican steamer from San Francisco, sufficient to work the mines ~~for a long time~~. The owners anticipate returns only equaled by those of GOULD & CURRY, and Ophir of Washoe, but produced with less expense, on account of the cheapness of labor, provisions, &c., in Mexico—less than a third of the cost in Washoe or California.

SUBSCRIBER MOWRY, W. R. GARRISON, DONALD DAVIDSON, C. A. EASTMAN, E. FOWLER, and JOSEPH BLOCK have incorporated under the following title:

Refugio Mining Company. Location, Jesus Maria District, Chihuahua, Mexico. Capital stock, \$200,000, in 4,154 shares of \$50 per share. Trustees: W. R. GARRISON, DONALD DAVIDSON, C. A. EASTMAN, E. FOWLER, and JOSEPH BLOCK.

We give below an authorized statement of the product of the **New Almaden Quicksilver Mines**, from January 1st, 1863, to July 1st, 1863. At the present price of quicksilver, 60 cents per pound, the yield of the mines amounts to upward of a million and a half of dollars, or, in exact figures, \$1,579,348 80 per annum.

PRODUCTION OF THE NEW ALMADEN MINE, UP TO JULY 1, 1863.

1855, 12 months.....	31,860 flasks.
1856, 12 months.....	28,123 "
1857, 12 months.....	26,000 "
1858, 10 months.....	39,939 "
<hr/>	
Total 46 months.....	125,922 "

(The mine was closed by an injunction, issued by the United States Circuit Court, during the years 1859 and 1862.) Produced:

1861, 11 months.....	34,765 flasks.
1862, 12 months.....	39,671 "
1863, 6 months.....	19,000 "
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Total 29 months.....	93,436 "

Production to July 1st, 75 months, 16,451,550 lbs.

The steamer Oregon took down among other freight for Arizona, via Guaymas, a small steam engine and other machinery, besides an invoice of goods, for the purpose of developing the San Antonio Silver Mine, situated in the Santa Cruz Mountains, Arizona, six miles from the Mowry Silver Mines. The San Antonio Mine has been purchased by a few gentlemen, and is not incorporated. Working tests of the ore in quantity, by the ordinary Mexican blast furnace and vase, give about \$200 per ton in silver, with a large percentage of lead. The character of the ores of the San Antonio is similar to those of the Mowry Mines, and can be worked by the simple process of smelting and refining. Among the purchasers of the San Antonio, we note the names of S. F. BUTTERWORTH, C. A. EASTMAN, CHAS. K. SMITH, E. L. GOULD, JOSEPH BLACK, and SYLVESTER MOWRY.

IRISH EMIGRATION.

THE large and continuous emigration from Ireland to the United States is naturally attracting a considerable share of attention. Week by week, and month by month, the people leave for New York, some in returning grain ships, some in steamers, some in stow-aways, as fast as opportunity serves. The *London Times* says, too, that it is the best portion of the Irish population—the young, the hale, the hopeful, the energetic—and that nothing will stop them. The strongest influences are weak and ineffectual before the all engrossing thought of America.

In this connection, the great decrease in the population of Ireland which the census returns just issued show, is of interest. For instance, in the Province of Connaught there were 1,418,782 inhabitants in 1841; in 1851 there were 1,012,006; and in 1861 there were but 913,125. The same return contains a summary for the whole of Ireland. It shows that in 1841 the inhabitants numbered 8,174,031; in 1851 they numbered 6,553,579; and in 1861, but 5,798,967. This gives a decrease of nearly two and a half millions of people in twenty years.

COMMERCIAL REGULATIONS.

DECISIONS OF TREASURY DEPARTMENT UNDER THE TARIFF ACT OF JULY 14, 1862.

THE following decisions have been made by the Secretary of the Treasury, of questions arising upon appeals by importers from the decisions of collectors, relating to the proper classification, under the tariff act of July 14, 1862, of certain articles of foreign manufacture and production entered at the port of New York:

METAL CLIPPINGS.

Treasury Department, July 18, 1863.

SIR: Messrs. L. BRANDIES & Co. have appealed from your decision assessing duty at the rate of 20 per cent ad valorem on certain "metal clippings," and claim "the article to be old brass, and fit only to be re-manufactured, which is provided for in schedule 4 of the tariff of July 14, 1862, consequently paying only 15 per cent duty ad valorem."

The question is one of fact to be decided by the appraisers. They declare the article to be "Dutch metal clippings," which, by the decision of June 25, 1859, was classified as non-enumerated; subsequent tariff acts do not specially provide for it, and therefore it is subject, under the 24th section of the act of March, 1861, to a duty at the rate of 20 per cent.

Your decision is hereby affirmed.

S. P. CHASE, *Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

IMITATION JEWELRY.

Treasury Department, July 28, 1863.

SIR: Messrs. I. ROSENTHAL & Co. represent that a certain importation made by them was classified by you as manufactures of brass, and assessed a duty of 35 per cent ad valorem, from which they appeal, claiming to enter the articles as jewelry at 25 per cent ad valorem.

The appraisers admit the article in question to be an *imitation* of jewelry, alleging however, that being an *imitation*, it is not entitled to entry at 25 per cent ad valorem, as claimed, but being composed of brass or composition metal, as its chief value, must be classified as manufactures of brass, and subject to a duty of 35 per cent ad valorem, under the acts of March, 1861, and July, 1862.

Section 21 of the act of March, 1861, provides that diamonds, cameos, mosaics, gems, pearls, rubies, and other precious stones, when set in gold, silver, or other metal, or on imitations thereof, and all other jewelry, shall be subject to a duty of twenty-five per cent ad valorem.

The article is imitation or mock jewelry, and in my opinion is entitled to entry at the rate of 25 per cent.

GEO. HARRINGTON, *Acting Sec. of the Treasury.*

HIRAM BARNEY, Esq., *Collector, New York.*

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Treasury Department, July 29, 1863.

SIR: Mr. J. H. DULLES, Jr., has appealed from your decision assessing duty at 25 per cent on crude musk, under the tariff section of the act of July 14, 1862, on certain "crude musk" imported from Liverpool, and claims to enter the article in question as a drug at 20 per cent under section 20 of the act of March 2, 1861, which imposes that rate of duty on "medicinal roots and leaves, and all other drugs and medicines in crude state not otherwise provided for." To substantiate this, he states: "That it is a drug," the appellant asserts, is abundantly proved by its appearing in the several Materia Medica and Pharmacopœie in use in this country, and is particularly described in *Wong & Bache's United States Dispensatory*, a work of high medical and chemical reputation."

The claim of the importer appears to be well founded. Musk is a drug, and if imported in a crude state is entitled to entry at 20 per cent ad valorem, under section 20 of the act of March 2, 1861, in such cases. It is admitted that the article in question is musk, and imported in a crude state it follows, therefore, that the proper rate of duty is 20 per cent, and you will be governed accordingly. The 10 per cent exacted under section 14 of the act of July 14, 1862, does not appear to be questioned. *GEO. HARRINGTON, Acting Sec. of the Treasury.*
HIRAM BARNEY, Esq., Collector, New York.

STEEL BARS, SLIGHTLY TAPERED.

Treasury Department, September 17, 1863.

SIR: On certain "round ~~bar~~ steel bars, slightly tapered and imported by Messrs. COLLINS & Co., per ships "Kangaroo," "City of Manchester," and "Guy Mannering," you assessed duty at the rate of 35 per cent, under the proviso in the steel clause of section 7 of the act of March 2, 1861, viz: "All articles partially manufactured not otherwise provided for, shall pay the same rate of duty as if wholly manufactured."

The appellant alleges, and such appears to be the fact, that to forge the bars in this form no additional work is required, nor is the cost increased thereby. They are drawn tapering through the rollers in the same way as bars of equal dimensions throughout, and are sold at same price per pound as any round or square steel.

That the steel in question is not a gun barrel partially manufactured is apparent from the facts that steel in this form may as well be applied to the manufacture of other articles as to gun barrels, and is forged in this form as readily, and without additional cost, as a square or round bar. It can be regarded as a bar, as that term is used in the tariff. The bar, as described in the tariff, is square, round, or any other simple form of uniform dimensions throughout.

In my opinion the article in question falls more properly within the

provisions of the 3d section of the tariff act of July 14, 1862, for a duty in any form not otherwise provided for, and should be subjected to duty at the rate of 25 per cent ad valorem, imposed on articles in that classification; and the collector is directed to collect the same.

S. P. CHASE, Sec. of the Treasury.

HIRAM BARNEY, Esq., Collector, New York.

MELADO.

Yr. letter of the 10th inst. is received, and in reply to inform you that the Treasury Department, September 5, 1863, has decided that the duty on molasses, as described in the invoice, but which the appellant alleges were "black and dirty molasses, and tank bottoms," and claims "the right to enter the same as molasses at six cents per gallon; three quarters of the same, being molasses of a very inferior quality, and the other quarter dirty sugar, commonly called, 'tank bottoms'." The question presented is one of fact, to be determined by the appraiser. After a careful examination the article has been pronounced to be molado; and the proper duty being six cents, per pound, as assessed by you. I hereby affirm your decision.

S. P. CHASE, Sec. of the Treasury.

JED. JEWETT, Esq., Collector, Portland, Me.

SHEATHING METAL.

SIR: Mr. W. H. PEROT has appealed from your decision assessing duty on certain "sheathing metal" imported per British brig "Chesapeake," intended to be used in sheathing the bottom of the same, and the portion of which is intended to be landed as used for any other purpose. Mr. W. H. Perot claims to have the amount of duty refunded. There is no provision of existing laws extending exemption from duty to sheathing metal imported under the circumstances, as alleged by the appellant, and the remission of duties asked for cannot therefore be legally granted.

S. P. CHASE, Sec. of the Treasury.

HENRY W. HOFMANN, Esq., Collector, Baltimore.

EMPTY CARBOY.

Yr. letter of the 10th inst. is received, and in reply to inform you that the Treasury Department, September 16, 1863, has decided that the duty on empty carboys, as described in the invoice, but which the appellant alleges were "empty carboys from Canada, and claims they are exempt from duty, being of American manufacture, and were exported for Canada containing sulphuric acid, and are now imported empty, and have never become part of the common stock and merchandise of Canada, but are merely sent with the contents of domestic produce of this country." It has been held by this Department that any article which has been exported filled, and returned to the United States empty, is not in the "natural condition" as when exported, as provided for by the act of March 2, 1861, and is therefore subject to duty as when imported.

S. P. CHASE, Sec. of the Treasury.

THOMAS WILKINS, Esq., Collector, Erie, Penn.

THE following copy of a letter addressed by the Secretary of the Treasury to the Collector of Baltimore, in cases where the Collector's triplicate of invoice, from neglect or otherwise, fails to be received from the Consul at the time the consignee, importer, or agent presents his triplicate of invoice, and makes application to enter the goods, wares, or merchandise therein enumerated :

Treasury Department, October 19, 1863.

SIR : MESSRS. ALBERTI & Co., of Baltimore, have asked to be informed if they are required to give a bond to produce to you the triplicate of invoice, which it is the duty of the Consul to send to you, and which he neglects to send.

No such bond can be required of consignees, importers, or agents ; but, before goods can be obtained from the Custom-House, in such cases, the consignee, importer, or agent is to be required to give a bond to the Collector for the payment of any additional duty to which it shall appear by Collector's triplicate of invoice the said goods are subject over and above the amount of duties paid upon the consignee's, importer's, or agent's triplicate of invoice, which triplicate must be filed with the bond so given to the Collector, who shall retain the same until he shall have received from the Consul the triplicate of invoice required for his files and the completion of the entry. This done, the bond will be canceled, and the retained invoice be given up.

With great respect,

S. P. CHASE, *Secretary of the Treasury.*

To HENRY W. HOFFMAN, *Collector, Baltimore, Md.*

DIRECT STEAM COMMUNICATION WITH THE WEST INDIA ISLANDS.

THE departure of the *Tubal Cain*, Saturday, September 12th, for Bermuda, St. Thomas, &c., initiates an enterprise of the first consequence in its influence upon the commerce of New York. It supplies, as the *Journal of Commerce* well says, a desideratum long and urgently felt in affording direct communication by steam with St. Thomas, the great center of traffic—the distributing reservoir, so to speak, for mail matter destined for the West Indies and South America. The *Tubal Cain* took out a large mail, and was offered freight far beyond her capacity, besides having a good passenger list. This is a hopeful beginning.

The *Tubal Cain* was originally a blockade runner, but made one trip too many for the interests of her late owners, and fell into the clutches of Uncle Sam. She was then purchased from the government by the American West India Company, which has large landed interests in San Domingo, and having secured an advantageous contract for carrying the United States mails, has promise of a career of prosperity. She proceeded down the bay under steam with a number of invited guests on board, and was met near Sandy Hook by a steam revenue cutter with Mr. ANDREWS, the Surveyor of the Port, on board, specially detailed for this service through the courtesy of the Secretary of the Treasury. It is needless to say the trip was highly enjoyed. The collation given afforded an opportunity for speeches relating to the promised development of commercial interests through the agency of this new steam line, which was well improved.

This important enterprise was initiated less than a year ago by J. W. FABENS, late U. S. Consul General at Cayenne, who obtained from the Spanish crown forty thousand acres of land, rich in copper, and over two hundred thousand acres admirably adapted to the growth of cotton. Till now, a monthly line of steamers has been maintained, but the demands of trade have made a steam line indispensable, and the *Tubal Cain* will be joined by a consort after October 28th, together making trips once in every three weeks, and stopping at Bermuda, St. Thomas, St. John's, Mayaguez, and St. Domingo city; thus saving to New York merchants a journey of seven thousand miles, compared with the long detour, via Southampton.

At the collation, HIRAM KETCHAM, Esq., President of the American West India Company, occupied the chair, and, after appropriate remarks, introduced Mr. FABENS, who spoke of this line as connecting New York with the richest and most beautiful islands in the world, nearer to us than the ports of Texas and Louisiana, yet almost unknown, for want of a ready and suitable means of communicating with them.

Mr. ALVAREZ, Consul of Spain, congratulated the company on its prospects of success. Mr. KIMBALL, one of the directors, spoke of the valuable commercial facilities this line would afford, and of the charming fall and winter pleasure travel destined to take the circuit of those beautiful islands.

Mr. PHILLIPS, commercial agent of St. Thomas, said every merchant there would throw up his hat with enthusiasm when this pioneer steamer entered the harbor.

Mr. ELLIOTT, late Consul in the city of St. Domingo, said the island was rich in mines of copper and gold; vegetation was eternal, and the climate very healthy, except where the sea water mixes with the rivers of the interior. All that was wanted was more labor. Mr. KETCHAM added that the resources of San Domingo would yet astonish the world.

Capt. MARTIN was then introduced. He goes out in behalf of the West India Company to inquire into the sources of mineral wealth, &c.

W. H. HALLOCK, of the *Journal of Commerce*, and Mr. OTTARSON, of the *Tribune*, responded to the toast in honor of "The Press."

Mr. ANDREWS, Surveyor of the Port, was happy to contribute in any degree to the success of an enterprise which he felt assured would be conducive to the prosperity of New York and the United States Government. There was something poetical in the fact that while forwarding this enterprise, they were developing the resources of the island where CHRISTOPHER COLUMBUS first landed, and were bringing to New York the wealth of the Amazon, of a magnitude untold.

Mr. CLARK, Clerk of the U. S. Senate, spoke of the remarkable fact that at such a period in the history of the country we should be engaged in the peaceful pursuits of industry, as though there were no rebellion—or if any, it was of no possible account.

The *Tubal Cain* is a Clyde built iron steamer, with five water-tight compartments. She has been virtually rebuilt, by the skilful ship-joiners D. FARRINGTON & Son, at a cost of some \$15,000, and is a very handsome ship, with accommodations for fifty passengers in staterooms, and a large freight. She is commanded by Capt. ANDREW P. FOSTER.

THE INTERNATIONAL POSTAGE CONVENTION;
GENERAL PRINCIPLES AND REGULATIONS, AGREED UPON,

The delegates of the Postal Administrations of Austria, Belgium, Costa Rica, Denmark, Spain, the United States, France, Great Britain, Italy, the Netherlands, Portugal, Prussia, the Hawaiian Islands, Switzerland, and Hanseatic Cities in pursuance of the deliberations held at the General Post Office in Paris, from the 11th of May to the 8th of June, 1863, have adopted the following general principles as being adapted to facilitate postal regulations between nations, and to form the basis of International Conventions for the regulation of those relations:

I. The articles which must or may be forwarded by the post from one country to another, are divided into six classes:

1. Ordinary letters.
2. Registered letters, without declaration of value.
3. Registered letters, containing declared value.
4. Corrected proof sheets, business papers, and other written documents, not of the nature of letters.
5. Samples of merchandise (including grains and seeds) of limited weight and without mercantile value.
6. Printed matter of all kinds in sheets, stitched or bound, sheets of music, engravings, lithographs, photographs, drawings, maps and plans.

II. Wherever it is possible, the prepayment of postage upon ordinary letters should be at the option of the sender; but in case of such optional prepayment of unpaid letters must bear a moderate additional charge.

III. Letters insufficiently prepaid by the postal stamps of the dispatching country, must be rated as unpaid deducting, however, the value of the stamps affixed.

IV. Registered letters, whether with or without declaration of value, must in all cases be prepaid to destination.

V. All articles under bands, in order to take the benefit of a rate of postage less than that applicable to letters, must be prepaid.

VI. International correspondence of all kinds, duly prepaid to destination, shall not be charged with any additional rate whatever.

VII. The rates upon international correspondence shall be established according to the same scale of weight in all countries.

VIII. The metrical decimal system, being that which best satisfies the demands of the postal service, shall be adopted for international postal relations, to the exclusion of every other system.

IX. The single rate upon international letters shall be applied to each standard weight of 15 grammes, or fractional part of it.

X. The single rates upon corrected proof sheets, upon written documents not of the nature of letters, and upon samples of merchandise (including seeds), shall be applied to each standard weight of 40 grammes or fractional parts thereof to one address.

XI. The standard weight for the single rate upon articles under hand embraced in the sixth class, of the first resolution aforesaid, must be established by special convention between the contracting parties.

XII. The rate upon letters must be fixed according to the weight stated by the dispatching office, except in case of manifest error.

XIII. Registered letters, without declaration of value, shall be rated

with a moderate fixed charge in addition to the rate applicable to ordinary letters of the same weight.

XIV. Registered letters, containing a declared value, shall be rated with a charge in proportion to the amount of the declared value in addition to the postage and to their fixed charge applicable to the other class of registered letters.

XV. In case of loss of a registered letter, without declared value, and in case of loss or spoliation of a registered letter, with declared value, each office will be held responsible for acts upon its own territory, and in the service for which it has received a premium of insurance. Fifty francs should be allowed to the sender of an unvalued registered letter lost; and for a valued letter, so much of the declared value as shall have been lost or abstracted.

XVI. Wherever intermediate transit charges may be practicable, the rates upon international correspondence should be the same, by whatever routes the mails are conveyed.

XVII. Where there are different mail routes, correspondence once shall be dispatched by the route indicated by that upon the address, or by the rate of postage prepaid where present rates exist. In absence of such indication, the dispatching office will determine the route which it deems most advantageous to the public interest.

XVIII. Unpaid letters delivered by one Administrator to another, to a country for which prepayment is counted, shall be returned to the dispatching office as wrongly sent.

XIX. Articles under hand, and subject to a lower postage, with compulsory prepayment, shall, in case of insufficient prepayment, be dispatched to their destinations with a suitable extra rate. If such articles are wholly unpaid they shall not be dispatched.

XX. International postal accounts cannot be suppressed by a rule of general application; but they should be simplified as far as possible. Offices of exchange should not be required to return acknowledgments of receipt of mails, except for the correction of errors of the dispatching office.

XXI. International post offices, accounting with each other for the rules and charges upon correspondence exchanged between them, whether in open or closed mails, shall account, as far as possible, by the piece for the correspondence in the open mails, and by the net weight for the correspondence in closed mails.

XXII. Correspondence re-forwarded by reason of a change of residence of the person addressed, shall not, on that account, be liable to a supplementary charge in favor of offices interested in the postage previously accrued.

XXIII. Registered letters addressed to persons who have departed for a foreign country not interested in postage prepaid, shall be forwarded to the new residence of the persons addressed, charged with additional postage, and with a supplementary registration fee, to be paid on delivery.

XXIV. International correspondence which shall have become dead shall be returned, without cost, to the dispatching office.

XXV. As high transit charges upon correspondence present an insurmountable obstacle to the establishment of an international system of correspondence upon conditions advantageous to the public, the transit charge for each country shall never be higher than one half of the interior rate of the transit country; and for transit countries of small territorial extent, the transit charge shall be even less.

XXVI. The cost of sea conveyance claimed by one country from another shall in no case be higher than the rate charged upon its own correspondence by the country by whose vessels the conveyance shall be effected.

XXVII. It is desirable that postal administrations having accounts with each other should serve as intermediaries for the transmission of sums of money from one country to another, by means of international money orders, whenever this can be effected without complications disproportioned to the advantages resulting from it.

XXVIII. In case of the non-payment at the stipulated time of the balance due upon an adjustment of an international postal account, the amount of the balance shall bear interest from the expiration of the stipulated period, at the rate agreed upon by Convention.

XXIX. In the adjustment of uniform postal rates, the greatest possible number of countries should be included in the same zone and subject to the same rate.

XXX. A free conveyance to its official communications with other postal administrations should be granted to each postal administration.

XXXI. There should be a class of letters denominated "urgent," for delivery by express messengers, for which a supplementary charge shall be made.

MAXIMS TO LIVE AND THRIVE BY.

The following by JOHN GRIGG, Esq., of Philadelphia, are the foundations of his success :

1. Be industrious and economical. Waste neither time nor money in *small* and *useless* pleasures and indulgences. If the young can be induced to *begin to save* the moment they enter on the paths of life, the way will ever become easier before them, and they will not fail to attain a competency, and that without denying themselves any of the real necessities and comforts of life. Our people are certainly among the most improvident and extravagant on the face of the earth. It is enough to make the merchant of the old school, who looks back and thinks what economy, prudence, and discretion he had to bring to bear on his own business (and which are in fact the basis of all successful enterprise), start back in astonishment to look at the ruthless waste and extravagance of the age and people. The highest test of respectability with me is honest industry. Well-directed industry makes men happy. The really noble class, the class that was noble when "Adam delv'd and Eve spun," and have preserved their patent to this day untarnished, is the laborious and industrious. Until men have learned industry, economy, and self-control, they cannot be safely intrusted with wealth.

2. To industry and economy add self-reliance. Do not take *too much advice*. The business man must keep at the helm and steer his own ship. In early life, every one should be taught to think for himself. A man's talents are never brought out until he is thrown to some extent upon his own resources. If in every difficulty he has only to run to his principal, and then implicitly obey the directions he may receive, he will never require that aptitude of perception, that promptness of decision, and that firmness of purpose which are absolutely necessary to those who hold

important stations. A certain degree of independent feeling is essential to the full development of the intellectual character.

3. Remember that punctuality is the mother of confidence. It is not enough that the merchant fulfills his engagements; he must do what he undertakes precisely *at the time*, as well as in the way, he agrees to. The mutual dependence of merchants is so great that their engagements, like a chain, which, according to the law of physics, is never stronger than its weakest link, are oftener broken through the weakness of others than their own. But a prompt fulfilment of engagements is not only of the utmost importance because it enables others to meet their own engagements promptly; it is also the best evidence that the merchant has his affairs well ordered, his means at command, his forces marshaled, and "everything ready for action;" in short, that he knows his strength. This it is which inspires confidence, as much perhaps as the meeting of the engagement.

4. Attend to the *minutiæ* of the business, small things as well as great. See that the store is opened early, goods brushed up, twine and nails picked up, and all ready for business. A young man should consider capital, if he has it, or as he may acquire it, merely as tools with which he is to work, not as a substitute for the necessity of labor. *It is often the case that diligence in employments of less consequence is the most successful introduction to great enterprises.* Those make the best officers who have served in the ranks. We may say of labor, as COLERIDGE said of poetry, it is its own sweetest reward. It is the best of physic.

5. Let the young merchant remember that selfishness is the meanest of vices, and is the parent of a thousand more. It not only interferes with the means and with the end of acquisition—not only makes money more difficult to get, and not worth having when it is got, but it is narrowing to the mind and to the heart. Selfishness "keeps a shilling so close to the eye, that it cannot see a dollar beyond." Never be narrow and contracted in your views. Life abounds in instances of the brilliant results of a generous policy.

Be frank; say what you mean; do what you say. So shall your friends know and take for granted that you mean to do what is just and right.

6. Accustom yourself to think vigorously. Mental, like pecuniary capital, to be worth anything, must be well invested—must be rightly adjusted and applied, and, to this end, careful, deep, and intense thought is necessary if great results are looked for.

7. Marry early. The man of business should marry as soon as possible, after twenty-two or twenty-three years of age. A woman of mind will conform to the necessities of the day of small beginnings; and in choosing a wife a man should look at—1st, the heart; 2d, the mind; 3d, the person.

8. Everything, however remote, that has any bearing upon success, must be taken advantage of. The business man should be continually on the watch for information, and ideas that will throw light on his path, and he should be an attentive reader of all practical books, *especially those relating to business, trade, etc.*, as well as a patron of useful and ennobling literature.

9. Never forget a favor, for ingratitude is the basest trait of man's heart. Always honor your country, and remember that our country is the very best poor man's country in the world.

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AND
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